

respect to employment after that date.

Section 811 (b) 7 of the Act provides:

"(b) The term 'employment' means any service, of whatever nature, performed within the United States by an employee for his employer, except—

* * * * *

"(7) Service performed in the employ of a State, a political subdivision thereof, or an instrumentality of one or more States or political subdivisions;"

Section 901, Title IX of the Act, imposes an excise tax on and after January 1, 1936, on employers of eight or more individuals under the conditions specified in the Act, and section 907 (c) 6 is identical with the above-quoted provisions of section 811 (b) 7.

Whether a State bank is an instrumentality of the State within the meaning of sections 811 (b) 7 and 907 (c) 6 of the Social Security Act depends upon the

statutes of the particular State pursuant to which the bank is organized. The test to be applied in determining whether an organization is an instrumentality of a State or political subdivision thereof is whether it was created for the purpose, in part at least, of acting for such State as a means of carrying into execution the powers of the State. An examination of the general banking laws of the State of Michigan does not disclose that banks organized thereunder are created for the purpose of acting as State agencies or affording the State a means of exercising its functions. Such banks, therefore, are not considered to be instrumentalities of the State. Accordingly, it is held that the M State Bank and its employees are subject to the taxes imposed by Titles VIII and IX of the Social Security Act.

Inasmuch as the M State Bank is not a member of the Federal Reserve System, the question as to whether it is an instrumentality of the United States is not presented.

COMPILATION OF FEDERAL AND STATE LAWS RELATING TO BRANCH BANKING WITHIN THE UNITED STATES

There was published on page 258 of the FEDERAL RESERVE BULLETIN for April 1930 a compilation of State laws relating to branch banking within the United States, and on page 455 of the FEDERAL RESERVE BULLETIN for July 1932 there were printed the provisions of the branch banking laws of certain States which had been amended or added since the previous compilation was prepared.

The following compilation, which has been prepared in the office of Counsel of the Board of Governors of the Federal Reserve System with the assistance of the Counsel of the Federal Reserve banks, supersedes the compilation published in the FEDERAL RESERVE BULLETIN for April 1930 and the amendments thereto published in July 1932, and shows as of June 1, 1936, the status of the laws of the United States and of the various States affecting the establishment of branches by banks and trust companies, including savings banks and Morris Plan banks. The compilation contains only such laws as relate to the establishment of branches within the United States and each provision of law is followed by one or more citations. When only one citation to the State law is given, the reference is to a pamphlet edition of the State banking laws which was consulted in the preparation of the compilation, or to a particular statute if it is not contained in such pamphlet edition; and when there is a second citation, the second reference is to the official edition of the laws of the State.

SUMMARY OF STATE BRANCH BANKING LAWS

States permitting State-wide branch banking	States permitting branch banking within limited areas	States prohibiting branch banking	States with no legislation regarding branch banking
Arizona California Connecticut District of Columbia ¹ Idaho Maine Maryland Michigan Nevada North Carolina Oregon Rhode Island South Carolina South Dakota Utah Vermont Virginia Washington	Alabama Arkansas ² Delaware Georgia Indiana Iowa ² Louisiana Massachusetts Mississippi Montana New Jersey New Mexico ² New York Ohio Pennsylvania Tennessee Wisconsin ²	Colorado Florida Illinois Kansas Minnesota Missouri Nebraska Texas West Virginia	Kentucky ³ New Hampshire North Dakota Oklahoma Wyoming
Total, 18	Total, 17	Total, 9	Total, 5

¹ District of Columbia not included in tabulations published in FEDERAL RESERVE BULLETIN for April, 1930, and July, 1932.

² Only "offices," "agencies" or "stations" for limited purposes, as distinguished from "branches," permitted under certain circumstances.

³ Court decisions permit establishment of offices or agencies to receive deposits and cash checks.

NOTE.—The foregoing tabulation is designed to indicate the general policy of the various States on branch banking as reflected by the provisions of the laws of such States, but it does not reflect detailed provisions of the law in certain States such as restrictions based upon the population of the place of the head office or the place of the proposed branch, restrictions that certain branches be established only by consolidation or merger, requirements that the place of the proposed branch be without other banking facilities, etc. For example, the State of Virginia is classified in the foregoing tabulation as a State permitting State-wide branch banking, but under the laws of that State branches may be established only in "other cities having a population of not less than 50,000 inhabitants." For such detailed provisions, reference should be had to the compilation of the laws of the individual States published herein.

FEDERAL LAW

NATIONAL BANKS

Branches permitted.—“(c) A national banking association may, with the approval of the Comptroller of the Currency, establish and operate new branches: (1) Within the limits of the city, town or village in which said association is situated, if such establishment and operation are at the time expressly authorized to State banks by the law of the State in question; and (2) at any point within the State in which said association is situated, if such establishment and operation are at the time authorized to State banks by the statute law of the State in question by language specifically granting such authority affirmatively and not merely by implication or recognition, and subject to the restrictions as to location imposed by the law of the State on State banks. In any State in which State banks are permitted by statute law to maintain branches within county or greater limits, if no bank is located and doing business in the place where the proposed agency is to be located, any national banking association situated in such State may, with the approval of the Comptroller of the Currency, establish and operate, without regard to the capital requirements of this section, a seasonal agency in any resort community within the limits of the county in which the main office of such association is located, for the purpose of receiving and paying out deposits, issuing and cashing checks and drafts, and doing business incident thereto: Provided, That any permit issued under this sentence shall be revoked upon the opening of a State or national bank in such community. * * *”

“(e) No branch of any national banking association shall be established or moved from one location to another without first obtaining the consent and approval of the Comptroller of the Currency.”

“(f) The term ‘branch’ as used in this section shall be held to include any branch bank, branch office, branch agency, additional office, or any branch place of business located in any State or Territory of the United States or in the District of Columbia at which deposits are received, or checks paid, or money lent.”

“(h) The words ‘State bank,’ ‘State banks,’ ‘bank,’ or ‘banks,’ as used in this section, shall be held to include trust companies, savings banks, or other such corporations or institutions carrying on the banking business under the authority of State laws.”

“(a) A national banking association may retain and operate such branch or branches as it may have in lawful operation at the date of the approval of this Act (February 25, 1927), and any national banking association which has continuously maintained and operated not more than one branch for a period of more than twenty-five years immediately preceding the approval of this Act (February 25, 1927), may continue to maintain and operate such branch.”

“(b) If a State bank is hereafter converted into or consolidated with a national banking association, or if two or more national banking associations are consolidated, such converted or consolidated association may, with respect to any of such banks, retain and operate any of their branches which may have been in lawful operation by any bank at the date of the approval of the Act (February 25, 1927).” (Sec. 5155, Revised Statutes of the United States.)

Capital required.—“(c) * * * no such association shall establish a branch outside of the city, town, or

village in which it is situated unless it has a paid-in and unimpaired capital stock of not less than \$500,000: *Provided*, That in States with a population of less than one million, and which have no cities located therein with a population exceeding one hundred thousand, the capital shall be not less than \$250,000: *Provided*, That in States with a population of less than one-half million, and which have no cities located therein with a population exceeding fifty thousand, the capital shall not be less than \$100,000.”

“(d) The aggregate capital of every national banking association and its branches shall at no time be less than the aggregate minimum capital required by law for the establishment of an equal number of national banking associations situated in the various places where such association and its branches are situated.”

The provisions regarding capital requirements for the establishment of branches do not apply to the establishment of seasonal agencies in resort communities. (Sec. 5155, Revised Statutes of the United States.)

STATE MEMBER BANKS

Branches permitted.—“Any such State bank which, at the date of the approval of this Act (February 25, 1927), has established and is operating a branch or branches in conformity with the State law, may retain and operate the same while remaining or upon becoming a stockholder of such Federal reserve bank; but no such State bank may retain or acquire stock in a Federal reserve bank except upon relinquishment of any branch or branches established after the date of the approval of this Act (February 25, 1927) beyond the limits of the city, town, or village in which the parent bank is situated. Provided, however, That nothing herein contained shall prevent any State member bank from establishing and operating branches in the United States or any dependency or insular possession thereof or in any foreign country, on the same terms and conditions and subject to the same limitations and restrictions as are applicable to the establishment of branches by national banks except that the approval of the Board of Governors of the Federal Reserve System, instead of the Comptroller of the Currency, shall be obtained before any State member bank may hereafter establish any branch and before any State bank hereafter admitted to membership may retain any branch established after February 25, 1927, beyond the limits of the city, town, or village in which the parent bank is situated.” (Sec. 9, Par. 2, Federal Reserve Act.)

Capital required.—Same requirements as for establishment of branches by national banks.

“Bank” defined.—“Wherever the word ‘bank’ is used in this Act, the word shall be held to include State bank, banking association, and trust company, * * *.” (Sec. 1, Par. 2, Federal Reserve Act.)

INSURED STATE BANKS NOT MEMBERS OF FEDERAL RESERVE SYSTEM

Branches permitted.—“No state nonmember insured bank (except a District bank) shall establish and operate any new branch after thirty days after the effective date (August 23, 1935) unless it shall have the prior written consent of the (Federal Deposit Insurance) Corporation, and no branch of any State nonmember insured bank shall be moved from

one location to another after thirty days after the effective date without such consent. The factors to be considered in granting or withholding the consent of the Corporation under this paragraph shall be the same as those to which the board of directors of the Corporation is required to give consideration in determining whether a State nonmember bank is entitled to the benefits of deposit insurance under the provisions of section 12B of the Federal Reserve Act. (Sec. 12B (v) (5), Federal Reserve Act.)

Capital required.—No additional capital is required.

STATE LAW

ALABAMA

Limited branch banking permitted.—Upon the prior written consent of the State Superintendent of Banks, "any state bank, whether incorporated or unincorporated, within the State, * * * situated in a county of which the population" exceeds 250,000 "shall have power to establish, maintain and operate, within the limits of the county wherein the principal place of business of such bank is situated, one or more branch banks, branch offices, branch agencies, additional offices or branch places of business for the receipt of deposits, payment of checks or lending of money * * *." (Act No. 15, approved Jan. 29, 1935.)

Capital required.—"* * * combined paid-in capital and paid-in or earned surplus of more than one million dollars * * *."

"* * * provided that only one such branch shall be so established, maintained and operated with respect to each two hundred fifty thousand dollars by which the amount of combined paid-in capital and paid-in or earned surplus of such bank exceeds one million dollars * * *." (Act No. 15, approved Jan. 29, 1935.)

"Bank" defined.—"The word 'bank' as herein used means any person, firm, partnership or corporation doing or carrying on a banking business * * *." (Sec. 6275, Banking Laws, 1933; Sec. 6275, Civil Code of Alabama.)

"All Corporations organized and operating as trust companies shall * * * be amenable to the general banking laws of the State insofar as said laws are applicable to trust companies * * *." (Sec. 6388, Banking Laws, 1933; Sec. 6388, Civil Code of Alabama.)

ARIZONA

Branches permitted.—The superintendent of banks, upon receipt of a written application "for leave to open a branch office" from a commercial bank, savings bank or trust company, "shall investigate and ascertain whether the public convenience and advantage will be promoted by the opening of such branch office * * *. If satisfied that the granting of such application is expedient and desirable, he shall make a certificate * * * authorizing the opening of such branch office * * *." (Sec. 225, p. 11, Banking Laws, 1928; Sec. 225, Ch. 8, Revised Code of 1928.)

Capital required.—A "paid-in capital and surplus of not less than fifty thousand dollars, plus fifteen thousand dollars of additional capital and surplus" is required for each branch so authorized. (Sec. 225, p. 11, Banking Laws, 1928; Sec. 225, Ch. 8, Revised Code of 1928.)

ARKANSAS

Branches prohibited but limited "offices" permitted.—Upon the completion of the organization of a bank, trust company or savings bank, it is authorized "to proceed with its business, but with only one office for the transaction thereof in only the one town or city as to which the application has been made." (Sec. 15, Banking Laws, 1931.)

Any "banking institution," Federal or State, "doing business in this state may establish an office for the purpose of receiving deposits and paying checks and performing * * * other clerical and bank service duties * * *. However, no banking institution may establish any office beyond those counties contiguous to the county in which said banking institution is located, nor in a city or town in which there is already an established bank * * *. No office shall be continued at any place after a legally chartered bank has actually commenced business at that place." (Act No. 191, approved March 26, 1935.)

Capital required.—No additional capital is required for the establishment of offices with limited functions.

CALIFORNIA

Branches permitted.—"No bank in this state, or any officer or director thereof, shall hereafter open or keep an office other than its principal place of business, without first having obtained the written approval of the superintendent of banks to the opening of such branch office, which written approval may be given or withheld in his discretion, and shall not be given by him until he has ascertained to his satisfaction that the public convenience and advantage will be promoted by the opening of such branch office; * * *." (Sec. 9, Art. I, Bank Act of California, 1935.)

Capital required.—In addition to its own required capital, a bank or trust company must have \$50,000 paid-in capital for each branch office located in its principal place of business. For each out-of-town branch, a bank (other than a trust company exclusively) must have, in addition to its own required capital and exclusive of the capital for a trust department, paid-in capital equal to the amount required for the organization of a bank in the location of the branch. In the case of a trust company exclusively, in addition to its own required capital, it must have additional paid-in capital of at least \$50,000 for each branch outside its principal place of business. (Sec. 9, Art. I, Bank Act of California, 1935.)

Other branch banking provisions.—There are also provisions concerning the discontinuance of a branch; the fee for opening a branch; penalty for violation of law covering establishment of branches; ratio of capital and surplus to deposits of branches; name of branch and its advertising; and establishment of branches by banks located in city or territory which is annexed by or consolidated with city or territory of a class requiring a larger capitalization. (Secs. 9, 23(2), 28, 58 of Art. I, Sec. 60 of Art. II and Sec. 82 of Art. III, Bank Act of California, 1935.)

"Bank" defined.—"The word 'bank' as used in this act shall be construed to mean any incorporated banking institution which shall have been incorporated to conduct the business of receiving money on deposit, or transacting a trust business as herein defined." (Sec. 2, Art. I, Bank Act of California, 1935.)

COLORADO

Branches prohibited.—Every bank and every trust company engaging in the business of banking “shall be conducted at a single place of business, and no branch thereof shall be maintained elsewhere.” (Secs. 1, 56, 141 and 145, Banking Laws, 1928; Secs. 2653, 2703, 2779 and 2783, Comp. Laws of Colorado, 1921.)

CONNECTICUT

Branches permitted—limitations.—“Any state bank and trust company * * * may, with the approval of the bank commissioner, (1) establish and operate one or more branches within the town in which such state bank and trust company is located; (2) establish and operate one or more branches in any town or towns within this state in which there is or are no commercial bank or banks of deposit and discount, * * * (3) continue to operate as a branch in the same or approximately the same location, the business of any other banking institution located within this state, which business has been acquired by purchase, consolidation or merger under the provisions of the general statutes, * * *” (Sec. 1451c, Banking Laws, 1935, p. 28; Sec. 1451c, (1933) 1935 Cumulative Supplement to General Statutes of Connecticut.)

In case of the merger or consolidation of State banks and trust companies, the “resulting corporation shall not maintain more than one banking house for the conduct of its business except as authorized by the provisions of section 1451c in the case of branch banks.” (Sec. 3895, Banking Laws, 1935, p. 27; Sec. 1449c, (1933), 1935 Cumulative Supplement to General Statutes of Connecticut.)

“Any savings bank * * * may, with the approval of the bank commissioner, (1) establish and operate one or more branches within the town in which such savings bank is located; (2) establish and operate one or more branches in any town or towns within this state, in which there is no savings bank or commercial bank soliciting or receiving savings deposits at the time such branch is established; (3) continue to operate, as a branch in the same or approximately the same location, the business of any other savings bank or the savings department of any state bank and trust company, which business has been acquired by purchase, consolidation or merger under the provisions of the general statutes.” (Sec. 1483c, Banking Laws, 1935, p. 70; Sec. 1483c, (1933) 1935 Cumulative Supplement to General Statutes of Connecticut.)

“No private banker shall establish any branch or open any new place of business, * * *” (Sec. 3959, Banking Laws, 1935, p. 60; Sec. 3959, General Statutes of Connecticut.)

“Nothing * * * shall be construed to permit any building and loan association, industrial bank or private banker located within this state to establish any branch, office or agency thereof, or employ any agent or person to make loans, at any place other than its designated place of business.” (Sec. 1531c, Banking Laws, 1935, p. 120; Sec. 1531c, (1933) 1935 Cumulative Supplement to the General Statutes of Connecticut.)

Capital required.—State banks and trust companies must have combined capital and surplus of not less than \$1,000,000 in order to establish intra-city branches; and for each branch in other towns, must have combined capital stock and surplus sufficient to operate a bank or trust company in such other towns

in addition to the said \$1,000,000. (Sec. 1451c, Banking Laws, 1935, p. 28; Sec. 1451c, (1933), 1935 Cumulative Supplement to the General Statutes of Connecticut.)

“Any savings bank with an unimpaired surplus equivalent to not less than ten per cent of its deposits may, * * * establish and operate one or more branches * * *” (Sec. 1483c, Banking Laws, 1935, p. 70; Sec. 1483c, (1933), 1935 Cumulative Supplement to the General Statutes of Connecticut.)

DELAWARE

Limited branch banking permitted.—If any state bank or trust company, other than a mutual savings bank, “shall desire to open a branch office in the city where it does business, it shall make application to the Board of Bank Incorporation who shall inquire into the matter, and if it shall deem that the public convenience will be served thereby and that there is good and sufficient reason that the corporation should have such branch office, it shall issue a written permission for the opening of such branch office in the city where the corporation is doing business, provided that no corporation shall be allowed more than two branch offices; and provided further that no branch office shall be maintained by any corporation doing business in a city of a population less than one hundred thousand.” (Sec. 20, Senate Bill No. 137, approved Feb. 28, 1933; Laws of Delaware, Vol. 38, Pt. I, Ch. 94, Sec. 20.)

“* * * nothing in this Act contained shall be deemed or held to authorize or enable any bank or trust company * * * to establish a branch bank or trust company, or to open a branch office unless such branch office be in accordance with the provisions of Section 20 of this Act. * * *” (Sec. 30, Senate Bill No. 137, approved Feb. 28, 1933; Laws of Delaware, Vol. 38, Pt. I, Ch. 94, Sec. 30.)

Capital required.—No additional capital is required.

DISTRICT OF COLUMBIA

Branches permitted.—“No corporation shall engage in or do the business of a bank of deposit or a fiduciary business in the District of Columbia nor shall any branch be established to carry on any phase of such banking or fiduciary business in the District of Columbia until the approval and consent of the Comptroller of the Currency is secured. The term ‘branch’ as used in this section shall be held to include any branch bank, branch office, branch agency, additional office, or any place of business located in the District of Columbia, at which deposits are received, or checks paid, or money lent, or at which the public is served or any phase of business conducted by the parent institution.” (Sec. 300, Chap. 9, Title 5, Code of Laws of District of Columbia.)

Capital required.—No additional capital is required.

FLORIDA

Branches prohibited.—The “place of business of each banking company shall be in the city or town specified in its charter, and the usual business of any such banking company shall be transacted at an office or banking house located in the city or town so specified and not elsewhere.” (Sec. 4139, (2709) Art. 8, Banking Laws, 1933.)

Morris Plan Banks have “the right to lend money in other cities and towns within the State other than

that in which the Bank is located and the right to maintain offices in such other cities and towns for the purpose only of making such loans and accepting periodical cash installments in anticipated retirement thereof. Such additional offices may not, however, accept demand deposits or time deposits from investors or others." (Sec. 4-E, Senate Bill No. 282, Approved June 4, 1935.)

GEORGIA

Limited branch banking permitted.—After August 25, 1927, "no new or additional branch banks shall be established." (Sec. 3, Art. 1, Banking Laws, 1935; Sec. 13-203 Code of 1933.)

State banks "having their principal office in a city now or hereafter having a population of not less than eighty thousand, or more than one hundred and twenty-five thousand, may establish branch banks in the city in which its principal office is located." (Act approved July 20, 1929, Banking Laws, 1935, p. 102; Acts of 1929, page 214.)

State banks "having their principal office in a municipality now or hereafter having a population of not less than 200,000 according to the last census of the United States or any future census of the United States, may establish branch banks in the municipality in which its principal office is located." (Act approved Aug. 17, 1929, Banking Laws, 1935, p. 103; Acts of 1929, pages 214-215.)

Capital required.—No additional capital is required.

Other branch banking provisions.—There are also provisions permitting the continuance of branches established prior to August 25, 1927; relating to the selection of the officers of the branch; the setting aside each year for the use of the branch of a certain portion of the bank's capital; and the taxation of branches. (Sec. 3, Art. 1, Banking Laws, 1935; Sec. 13-203, Code of 1933.)

"Bank" defined.—"The term 'bank' as used in this Act means any moneyed corporation authorized by law to receive deposits of money and commercial paper, to make loans, to discount bills, notes, and other commercial paper, to buy and sell bills of exchange, and to issue bills, notes, acceptances or other evidences of debt, and shall include incorporated banks, savings banks, banking companies, trust companies and other corporations doing a banking business in this State, * * *." (Sec. 1, Art. 1, Banking Laws, 1935.)

IDAHO

Branches permitted.—"No bank shall maintain any branch bank office except as hereinafter provided. Any corporation organized under the laws of Idaho and authorized to engage in the banking and/or trust business may, with the approval of the Commissioner of Finance, establish and operate branch banking offices for the transaction of its business within the limits of the city, town, or village, in which it is situated, or at any point within this state, * * *. Branch banking offices shall not be established in any city, town, or village, in which there is located a bank or banks, state or national, regularly transacting a customary banking business unless the corporation establishing such branch banking office shall take over an existing bank, or obtain consent of all banks there located. No unit bank hereafter organized and operating at a point where there are other operating banks, state or national, shall be permitted to be ac-

quired for the purpose of establishing a branch banking office of a branch bank until said unit bank shall have been in operation as a unit bank for a period of five years." (Sec. 25-1001, Banking Laws, 1935; Sec. 25-1001, Idaho Code Annotated, as amended by Ch. 109, Laws of 1935.)

Capital required.—" * * * such corporation shall have a paid-in capital stock of not less than \$100,000 and a surplus fund, paid-in or earned, in the amount of not less than ten per cent of its capital stock. * * * but no such corporation shall establish or maintain branch banking offices unless its paid-in capital stock shall, in the aggregate, amount to at least \$25,000 for each of the banking offices, and from and after the effective date of this Act no new branch bank or new branch office of any bank shall be established unless the corporation establishing the same has a paid-in and unimpaired capital stock in an amount not less than the minimum capital stock now required * * * for a national banking association establishing and operating new branches outside the city, town or village in which such association is situated. * * *." (Sec. 25-1001, Banking Laws, 1935; Sec. 25-1001, Idaho Code Annotated, as amended by Ch. 109, Laws of 1935.)

Other branch banking provisions.—There are also provisions as to the fees required for the establishment of branches (Sec. 25-208, Banking Laws, 1935; Sec. 25-208, Idaho Code Annotated, as amended by Ch. 51, Laws of 1935); the effect of the failure to establish and operate a branch after its approval (Sec. 25-209, Banking Laws, 1935; Sec. 25-209, Idaho Code Annotated, as amended by Ch. 73, Laws of 1935); and as to checks, drafts, etc., drawn on the bank or trust company operating branch banks. (Banking Laws, 1935, p. 67; Chap. 112, Session Laws Idaho, 1935.)

"Bank" defined.—"The word 'Bank' as used in this act, shall be construed to mean any incorporated bank or institution (except national banks) which shall have been incorporated to conduct the business of receiving money on deposit or transacting a trust business as herein defined, and shall be construed to include any individual, copartnership, or unincorporated association engaged in the banking business as herein defined, * * *." (Sec. 25-102, Banking Laws, 1935; Sec. 25-102, Idaho Code Annotated.)

ILLINOIS

Branches prohibited.—"No bank shall establish or maintain more than one banking house, or receive deposits, or pay checks at any other place than such banking house, and no bank shall establish or maintain in this or any other state or country any branch bank, nor shall it establish or maintain in this state any branch office or additional office or agency for the purpose of conducting any of its business." (Sec. 119, p. 25, Banking Laws, 1936; Smith & Hurds 1931 Revised Statute of Illinois, Ch. 16½, Sec. 9.)

INDIANA

Limited branch banking permitted.—"Except as hereinafter otherwise provided, any bank or trust company may open or establish a branch bank in any city or town within the limits of the county in which the principal office of such bank or trust company is located, if there is no bank or trust company located in such city or town. Any bank or trust company which is located in a city the population of which ex-

ceeds fifty thousand inhabitants," may open branches "within the corporate limits of such city * * *. No branch bank shall be opened or established without first having obtained the written approval of the department. * * * Before the department shall approve or disapprove any application * * * it shall ascertain and determine to its satisfaction that the public convenience and advantage will be subserved and promoted * * *; that there is no bank or trust company located in the city or town * * * if the application is for a permit to open or establish a branch bank in a city or town other than that within which the applicant bank or trust company is located; that the applicant bank or trust company has satisfied the capital and surplus requirements" for the establishment of an intra-city branch in a city of over 50,000 inhabitants; "and that the welfare of any other bank already established in such city will not be jeopardized." (Sec. 224, Chap. II, Pt. IV, Art. VII, Banking Laws, 1935; 1933 Acts of Indiana, p. 287.)

Capital required.—"* * * two hundred and twenty-five thousand dollars of the capital and surplus of such bank or trust company actually paid in and unimpaired" for each intra-city branch established in cities of over 50,000 inhabitants. (Sec. 224, Chap. II, Pt. IV, Art. VII, Banking Laws, 1935; 1933 Acts of Indiana, p. 287.)

Other branch banking provisions.—"Any person who shall violate any of the provisions of section 224 of this act, either individually or as an interested party, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not less than three hundred dollars nor more than one thousand dollars, or by imprisonment for any period not less than thirty days nor more than one year, or by both such fine and imprisonment." (Sec. 225, Chap. II, Pt. IV, Art. VII, Banking Laws, 1935; 1933 Acts of Indiana, p. 287.)

IOWA

Branches prohibited but limited "offices" permitted.—"No banking institution shall open or maintain any branch bank. However, as may be authorized by and subject to the jurisdiction of the banking department any banking institution may establish an office for the sole and only purpose of receiving deposits and paying checks and performing such other clerical and routine duties not inconsistent with this section. No banking institution may establish any office beyond those counties contiguous to the county in which said banking institution is located, nor in a city or town in which there is already an established banking institution. No office shall be continued at any place after a banking institution has actually commenced business at that place. Nothing in this section shall prohibit national banks the privileges of this section whenever they may be so authorized by federal law." (Sec. 9258-b1, Banking Laws, 1934.)

Capital required.—No additional capital is required for the operation of offices with limited functions.

KANSAS

Branches prohibited.—"* * * The general business of every bank shall be transacted at the place of business specified in its charter or permit, and it shall be unlawful for any bank to establish and operate any branch bank or branch office or agency or place of business." (Sec. 1, Banking Laws, 1935; Sec. 9-101, R. S. Kansas, 1923, as amended by 1933 Sess. Laws (Special Session) Ch. 23.)

KENTUCKY

Branches unauthorized.—There are no provisions in the laws of Kentucky permitting or prohibiting branch banking.

However, the Kentucky Court of Appeals has held that a State bank may not establish branches (See *Bruner vs. Citizens Bank of Shelbyville* (1909), 120 S. W. 345); but, in a later decision, the Court of Appeals held that a State bank may establish offices separate and apart from its main office for the purpose of receiving deposits, paying checks and keeping records of such transactions, at least if such offices are within the municipal limits wherein the main office of the bank is situated. (*Marvin vs. Kentucky Title & Trust Company* (1929), 291 S. W. 17.)

LOUISIANA

Limited branch banking permitted.—Charter "shall provide for the location in the parish of domicile of any Banking Association of not more than two branch offices. * * *" (Sec. 7, Banking Laws, 1932, p. 9; Sec. 547, Louisiana General Statutes.)

All banks, trust companies and savings banks "now located, or hereafter organized, in either of the Parishes of Allen, Calcasieu or Jefferson Davis may establish, own and operate a branch bank or banks in any one or more of the other said named parishes." (Sec. 1, Act No. 219, Approved July 12, 1934; Sec. 547.1, Louisiana General Statutes.)

"* * * Any savings, safe deposit, or trust and savings bank may have one or more as hereinbelow provided offices of discount and deposit within the limits of the municipality or parish in which the said bank is located; * * * said savings, safe deposit, or trust and savings bank must first obtain a certificate of authority from the State Bank Commissioner * * * no future political or legal subdivision of said municipality or parish shall have the effect of in anywise affecting the right of such banks aforesaid to continue the existence, maintenance and operation of any such offices already established * * *." (Sec. 7, Banking Laws, 1932, p. 40; Sec. 588, Louisiana General Statutes.)

Capital required.—Any savings, safe deposit, or trust and savings bank, having \$50,000 of capital may establish one branch within limits of municipality or parish in which the said bank is located; two branches if capital between \$50,000 and \$75,000; three branches if capital between \$75,000 and \$100,000; five branches if capital between \$100,000 and \$200,000; six branches if capital between \$200,000 and \$250,000; seven branches if capital between \$250,000 and \$300,000; and one additional branch for each \$100,000. (Sec. 7, Banking Laws, 1932, p. 40; Sec. 588, Louisiana General Statutes.)

"* * * no Banking Association or Savings Bank with capital stock of less than \$50,000 may locate or operate branch offices; but this provision shall not apply to existing branch offices." (Sec. 7, Banking Laws, 1932, p. 9; Sec. 547, Louisiana General Statutes.)

Other branch banking provisions.—There is also a provision providing for the manner of assessment of taxes on branches in different parishes. (Sec. 27, Act 170 of Banking Laws, 1932, p. 234; Sec. 686, Louisiana General Statutes.)

MAINE

Limited branch banking permitted.—"A savings bank may open and conduct branches in the city or

town where its main business is located and in other cities or towns in the county of its location, or the adjoining counties; provided, that before opening a branch in any other city or town, it shall have received a warrant to do so from the bank commissioner, who shall issue such warrant only when satisfied that public convenience and advantage will be promoted by the establishment of such a branch. * * * The right to open a branch shall lapse at the end of one year * * * unless it shall have been opened and business actually begun in good faith. * * * Any such branch may be closed or discontinued with the consent of the commissioner, after such notice and hearing, if any, as in his judgment the public interest may require." (Sec. 32-A, Banking Laws, 1935; Sec. 32-A, Ch. 57, Revised Statutes of Maine.)

"No trust company now or hereafter organized shall establish a branch or agency until it shall have received a warrant so to do from the bank commissioner, who shall issue such warrant only when satisfied that public convenience and advantage will be promoted * * *. No trust company shall be permitted to establish a branch or agency except in its own or an adjoining county, provided, however, that this limitation shall not prevent a trust company * * * from establishing a branch or agency in any city, town or village where there is no state bank regularly transacting customary banking business or where a unit bank or branch of another bank is taken over * * *. The right to open a branch or agency shall lapse in 1 year * * * unless the same shall have been opened and business actually begun in good faith. * * * Any such branch or agency may be closed or discontinued by vote of the stockholders of the company, with consent of the bank commissioner, after such notice and hearing, if any, as in his judgment the public interest may require." (Sec. 88, Banking Laws, 1935; Sec. 88, Ch. 57, Revised Statutes of Maine.)

Industrial or Morris Plan Banks are authorized "to establish branch offices or agencies in the manner and subject to the conditions prescribed for the establishment of branches or agencies in the case of trust companies." (Sec. 138, Banking Laws, 1935; Sec. 88, Ch. 57, Revised Statutes of Maine.)

Capital required.—A trust company, in order to establish a branch in its own or adjoining county, must satisfy the bank commissioner "that the unimpaired capital stock of the parent institution is sufficient to comply with the conditions of section 69" (minimum requirements for organization) "reckoning the aggregate population of its home city or town and of all cities and towns in which it is authorized by its charter to establish branches or agencies, including the one under consideration." A trust company, in order to establish a branch in any other city or town where there is no state bank in operation or where a unit bank or branch of another bank is taken over, must have "a paid-in and unimpaired capital stock of not less than \$500,000." (Sec. 88, Banking Laws, 1935; Sec. 88, Ch. 57, Revised Statutes of Maine.)

MARYLAND

Branches permitted.—"Any bank or trust company organized under the laws of this State, is specifically granted the power and authority to establish and operate a branch or branches in the City or County in which it is located or at any point within the State,

after having first obtained the approval of the Bank Commissioner, which approval may be given or withheld in his discretion, and shall not be given until he shall have ascertained to his satisfaction that the public convenience and advantage will be promoted by the opening of any such branch or branches, and that said bank or trust company has complied with the other terms and conditions prescribed by this Article. Any bank or trust company having an existing branch or branches upon the effective date of this Act, may continue the operation of such branch or branches without further approval from the Bank Commissioner, subject, however, to all of the other terms and conditions of this Article. This section shall not be construed as implying that the provisions of this Article have heretofore in any way prohibited the establishment or operation of a branch or branches in the City or County in which any bank or trust company, organized under the laws of this State, is located, or at any point within this State." (Sec. 52B, Banking Laws, 1935; Ch. 23, 1933 Sp. Sess. Laws.)

"* * * With the approval of the Bank Commissioner, any mutual savings institution shall have the right and authority to establish in the same city, town or village and maintain branches where its guarantee fund equals the minimum requirement as to capital of State banks in the same locality." (Sec. 32, Banking Laws, 1935; Sec. 31, Ch. 219, Laws of 1910, as amended by Ch. 294, Laws of 1931, and by Ch. 498, Laws of 1935.)

Capital required.—The minimum capital required for the organization of a bank "shall not apply to any person, co-partnership, incorporated bank, or other incorporated institution now engaged in the banking business in this State, except in such cases where said person, co-partnership, incorporated banks or other incorporated institutions doing a banking business shall hereafter undertake to establish a branch or branches outside of the city, town or village in which they are now located. In such a case the foregoing provisions relative to capital and surplus shall be complied with, by adding to the capital and surplus of the parent institution, the amount that would be required hereunder if such branch or branches were separately incorporated. * * *" (The capital stock required is \$25,000 for towns of less than 15,000 inhabitants; \$75,000 for cities with population between 15,000 and 50,000; \$100,000 for cities with population between 50,000 and 150,000; and \$500,000 for cities of over 150,000 inhabitants. In addition a bank must have a surplus of 20 per cent of its capital stock.) "* * * no branch shall hereafter be established by any bank, in the city, town or village, where said bank is now located, until said bank conforms to the requirements herein provided, as to the minimum amount of capital stock for banks in said city, town or village. For the purpose of this section the term 'Bank' shall include savings institutions having a capital stock." (Sec. 20, Banking Laws, 1935; Sec. 20, Ch. 219, Laws of 1910, as amended by Ch. 268, Laws of 1920, Ch. 266, Laws of 1924, Ch. 294, Laws of 1931, and Ch. 528, Laws of 1933.)

"In the event that any trust company hereafter establishes a branch or branches outside of the city, town or village in which it is now located, it shall add for each branch established, to its paid-in-capital the following sums and twenty per cent (20%) thereof as additional surplus:" \$25,000 for towns of

less than 15,000 inhabitants; \$75,000 for cities with population between 15,000 and 50,000; \$100,000 for cities with population between 50,000 and 150,000; and \$500,000 for cities of over 150,000 inhabitants, unless the surplus and paid-in-capital is already sufficient. Provided, however, "that no branch shall hereafter be established by any trust company in the city, town or village where said trust company is now located and engaged in business, until said trust company conforms to the requirements herein provided as to the minimum amount of surplus and capital stock for a trust company in said city, town or village." (Sec. 42, Banking Laws, 1935; Sec. 41, Ch. 219, Laws of 1910, as amended by Ch. 268, Laws of 1920, Ch. 266, Laws of 1924, Ch. 188, Laws of 1927, Ch. 359, Laws of 1929, Ch. 294, Laws of 1931, Ch. 528, Laws of 1933, and Ch. 517, Laws of 1935.)

MASSACHUSETTS

Limited branch banking permitted.—A savings bank "may, with the written permission of and under regulations approved by the commissioner, maintain and establish one or more branch offices or depots in the town where its banking house is located, or in towns not more than fifteen miles distant therefrom where there is no savings bank at the time when such permission is given." (Sec. 25, Ch. 168, Savings Bank Laws, 1933; Sec. 25, Ch. 168, General Laws of Massachusetts.)

The office or offices of any savings bank proposing to liquidate may, under certain circumstances, be merged with another savings bank located within 25 miles, and such office or offices "may, with the permission of and under regulations approved by the commissioner, be maintained as a branch office or branch offices of the continuing bank." (Sec. 55, Ch. 168, Savings Bank Laws, 1933; Sec. 55, Ch. 168, General Laws of Massachusetts.)

A trust company "may, with the approval of the board of bank incorporation, establish and operate one or more branch offices in the town where its main office is located, or in any other town within the same county, not having commercial banking facilities. * * * the restrictions in this section shall not extend to branch offices authorized prior to June first, nineteen hundred and thirty-four." (Sec. 45, Ch. 172, Trust Company Laws, 1933, as amended by Sec. 21, Ch. 349, Acts of 1934; Sec. 45, Ch. 172, General Laws of Massachusetts.)

"Any office or offices of a trust company the business of which has been taken over" by consolidation, merger or purchase of assets by a "trust company whose main office is located in the same county, or any office or offices of a national banking association the whole or a substantial part of the assets of which is purchased or otherwise acquired by a trust company so located, may, with the approval of the commissioner, be maintained as a branch office or offices * * *." (Sec. 46, Ch. 172, Trust Company Laws, 1933, as amended by Sec. 22, Ch. 349, Acts of 1934; Sec. 46, Ch. 172, General Laws of Massachusetts.)

The usual business of a co-operative bank "shall be transacted at its office only, which shall be in the town named in its agreement of association; but moneys due the bank may be collected by the treasurer, * * * in such other places as may be designated by vote of the board of directors and approved by the commissioner, and the bank may advertise

these branches in such manner as the commissioner may prescribe." (Sec. 11, Ch. 170, Co-operative Bank Laws, 1934; Sec. 11, Ch. 170, General Laws of Massachusetts.)

No foreign banking corporation "shall have more than two offices or places of business in the commonwealth." (Sec. 44, Ch. 167, Savings Bank Laws, 1933; Sec. 44, Ch. 167, General Laws of Massachusetts.)

The board of bank incorporation may authorize a Morris plan bank "to establish and operate one or more branch offices in the city or town in which it is authorized to do business under this chapter or in any other city or town within the same county." This shall not apply to any branch office wherever located, established prior to January 1, 1935. (Sec. 4, Ch. 452, Acts of 1935; Sec. 12, Ch. 172A, General Laws of Massachusetts, as amended by Sec. 4, Ch. 452, Acts of 1935.)

Capital required.—In order for a trust company to establish domestic branches, the aggregate total of its capital and surplus account must not be less than one-tenth of its aggregate deposit liability. (Secs. 21, 22, Chap. 349, Acts of 1934; Secs. 45, 46, Chap. 172, General Laws of Massachusetts.)

MICHIGAN

Branches permitted.—"No bank, heretofore licensed to carry on a commercial and/or savings banking business, may hereafter establish and maintain branches within any incorporated or unincorporated village, nor within any city, other than the incorporated or unincorporated village or city in which it was originally licensed or chartered for the purpose of carrying on a commercial and/or savings banking business unless authorized by the written order of the commissioner of the banking department of the state of Michigan: * * *." (Sec. 11901, Eighth-a, Banking Laws, 1936; Sec. 11901, Eighth-a, 1929 Compiled Laws, as amended by Public Act No. 3, 1933 Extra Session.)

Capital required.—No bank shall be authorized to establish a branch "by the said banking commissioner unless said bank has a capital and surplus of an amount sufficient * * * to transact its business and maintain offices in the larger of any city in which such branches or its principal office may be established." (Sec. 11901, Eighth-a, Banking Laws, 1936; Sec. 11901, Eighth-a, 1929 Compiled Laws, as amended by Public Act No. 3, 1933 Extra Session.)

MINNESOTA

Branches prohibited.—"No bank or trust company organized under the laws of this state shall maintain a branch bank or receive deposits or pay checks within this state except at its own banking house, * * *." (Banking Laws, 1933, p. 50; Ch. 170, Laws of 1923.)

MISSISSIPPI

Limited branch banking permitted.—"Banks may establish branch banks under the restrictions prescribed in this act, but no branch bank may be established unless the parent bank shall have first obtained from the state comptroller, the attorney general and the governor, or a majority thereof, a certificate that the public convenience and necessity will be promoted by the establishment of such branch bank. * * *." (Sec. 63, Banking Laws, 1936; Ch. 146, Laws of 1934.)

"Branch banks may be established within a radius of one hundred miles of the parent bank provided that no parent bank shall be permitted to establish more than fifteen branch banks; provided further that no parent bank shall be permitted to establish a branch bank in any town or city of less than 3,100 population according to the last preceding Federal census where such town or city has one or more banks in operation." (Sec. 66, Banking Laws, 1936; Ch. 146, Laws of 1934, as amended by Ch. 167, Laws of 1936.)

"National banks are hereby granted the right and authority to establish branches in this state, with the same rights and under the same restrictions as state banks establishing branches. * * *" (Sec. 71, Banking Laws, 1936; Ch. 146, Laws of 1934.)

Limited branch offices permitted.—"The state comptroller may permit banks to establish branch offices within the corporate limits of the city where the bank is domiciled when the population is not less than 10,000, and within the limits of the county wherein such bank is domiciled, and within the limits of any county adjacent to the county within which such bank is domiciled; provided no branch office shall be established in any town or city of less than 3,500 population where such town or city has one or more banks or branch banks in operation. Such offices shall not be considered branch banks within the meaning of this act, and no additional capital shall be required therefor. Such branch offices shall not make loans, or do anything in connection with the making of any loan by the parent or any other banks, except to receive and transmit application for loan to such parent or other bank." (Sec. 65, Banking Laws, 1936; Ch. 146, Laws of 1934, as amended by Ch. 165, Laws of 1936.)

Capital required.—"All parent banks permitted to establish branch banks shall have a paid-in, unimpaired capital (exclusive of reserves and undivided profits) of not less than \$100,000.00, and such minimum required capital shall be increased for each branch bank established by an amount not less than the minimum required capital for a unit bank in the municipality in which the branch bank shall be established. Such portion of the \$100,000.00 minimum capital required by this section may be represented by any class or classes of preferred stock as may be approved by the state comptroller, but no branch banking system shall be allowed to continue operation if the capital stock thereof at any time be reduced below \$100,000.00 plus an amount for each branch bank not less than the minimum required capital for a unit bank in the municipality in which such branch bank shall be established." (Sec. 67, Banking Laws, 1936; Ch. 146, Laws of 1934.)

Other branch banking provisions.—"No branch bank in this state may be discontinued or abandoned without the consent in writing of the state comptroller first obtained. By and with such consent first obtained, branch banks may be moved from one municipality to another within the territory restriction provided in this act. * * *" (Sec. 69, Banking Laws, 1936; Ch. 146, Laws of 1934, as amended by Ch. 165, Laws of 1936.)

There are also provisions providing for: fee of \$50.00 for each application; issue of stock upon annexation of a unit bank as a branch; the formulation by the state comptroller of rules and regulations for the examination of branch bank systems; and stating what shall be included in the name of the branch bank.

(Secs. 63, 64, 68, 70, Ch. 146, Banking Laws, 1936; Ch. 146, Laws of 1934.)

"Bank" defined.—"Whenever the word 'bank' is used in any statute unless the context clearly shows that it is intended to be limited in its application to a particular character of bank, it shall include trust companies, savings banks, branches of banks and trust companies, and all other institutions subject to the provisions of this chapter. * * *" (Sec. 2, Banking Laws, 1936; Ch. 146, Laws of 1934.)

MISSOURI

Branches prohibited.—" * * * no bank shall maintain in this state a branch bank, or receive deposits or pay checks except in its own banking house." (Sec. 5354, Banking Laws, 1935, p. 16; Sec. 5354, Art. II, Ch. 34, Rev. Stats. of Mo., 1929, as amended by Act approved December 19, 1933.)

" * * * no trust company shall maintain in this state a branch trust company or receive deposits or pay checks except in its own banking house." (Sec. 5421, Banking Laws, 1935, p. 21; Sec. 5421, Art. III, Rev. Stats. of Mo., 1929, as amended by Act approved December 19, 1933.)

MONTANA

Branches prohibited—exception.—"No bank shall maintain any branch bank, receive deposits or pay check, except over the counter of and in its own banking house. * * *" (Sec. 101, Ch. 89, Banking Laws, 1933.)

"When any two or more banks located in the same county or in adjoining counties shall consolidate * * * the consolidated bank may, * * * upon the written consent of the Superintendent of Banks and under rules and regulations promulgated by him, maintain and operate offices in the locations of the consolidating banks." (Banking Laws, 1933, p. 94; Sec. 1, Chap. 129, 1931 Session Laws.)

Capital required.—A consolidated bank, in order to operate offices in the locations of the consolidating banks, must have a paid-up capital of \$75,000.00 or more. (Banking Laws, 1933, p. 94; Sec. 1, Ch. 129, 1931 Session Laws.)

"Bank" defined.—"The word 'Bank,' as used in this Act, shall be construed to mean any corporation which shall have been incorporated to conduct the business of receiving money on deposit, or transacting a trust or investment business as hereinafter defined. * * * Banks are divided into the following classes: (a) Commercial Banks, (b) Savings Banks, (c) Trust Companies, (d) Investment Companies, * * *" (Sec. 2, Ch. 89, Banking Laws, 1933.)

NEBRASKA

Branches prohibited.—"No bank shall maintain any branch bank, receive deposits or pay checks, except over the counter of and in its own banking house. * * *" (Banking Laws, 1935, p. 21; Sec. 8-1, 118, Compiled Statutes of Nebraska, 1929.)

NEVADA

Branches permitted.—State banks "may maintain branch offices, but the location of the principal office and the parent bank shall be within the State of Nevada, and the location of all branch offices shall be fixed in the articles of incorporation, and additional branches may be from time to time established by the board of directors with the written consent of

the superintendent of banks. * * * (Sec. 1—Tenth, Banking Laws, 1935; Sec. 1—Tenth, Ch. 190, 1933 Nevada Laws, as amended by Sec. 1, Ch. 147, 1935 Laws.)

Capital required.—" * * * Banks which shall have not more than one branch within the county wherein is located the principal office and the parent bank shall have a paid-up capital and surplus of at least \$60,000, and for every additional branch within such county and for every branch of any bank, which branch is located in any county of the state other than that in which the principal office and parent bank is located, there shall be required at least \$25,000 of capital and surplus in addition to the minimum requirements of this section." (Sec. 1—Tenth, Banking Laws, 1935; Sec. 1—Tenth, Ch. 190, 1933 Nevada Laws, as amended by Sec. 1, Ch. 147, 1935 Laws.)

Other branch banking provisions.—Every bank shall pay a license fee and an annual fee of "\$100 for each branch bank, or branch office, by it maintained." (Sec. 47, Banking Laws, 1935; Sec. 47, Ch. 190, 1933 Nevada Laws, as amended by Sec. 10, Ch. 147, 1935 Laws.)

"Bank" defined.—"The words 'corporation,' 'association,' 'banking corporation,' 'bank,' 'trust company,' or 'banker,' as used in this act, shall refer to and include banks, savings banks and trust companies, * * * (Sec. 87, Banking Laws, 1935; Sec. 87, Ch. 190, 1933 Nevada Laws.)

NEW HAMPSHIRE

Branches unauthorized.—There are no provisions in the laws of New Hampshire permitting or prohibiting branch banking.

NEW JERSEY

Limited branch banking permitted.—*State banks* (other than savings banks) and *trust companies* "may establish and maintain branch offices or agencies for the transaction of their business, with the approval in writing of the Commissioner of Banking and Insurance, which approval shall be given by him only if it shall appear to him that the establishment of such branch office or agency will be of public service; * * * nor shall such approval be given for the establishment of any such branch office or agency outside the city, town, township, borough or village in which such bank or trust company is located, nor shall any bank or trust company maintain and operate a branch office or agency within the corporate units of a city, town, township, borough or village where the population by the last decennial census is less than twenty thousand; nor more than one such branch where such population by said census is more than twenty thousand and not more than forty thousand; nor more than two such branches where such population by said census is more than forty thousand and not more than eighty thousand, and where such population by said census is more than eighty thousand the number of such branches shall be such as may be determined by the Commissioner of Banking and Insurance; provided, that nothing in this act contained shall prevent the maintenance of any branch office or agency heretofore lawfully established." (Banking Laws, 1935, p. 152; P. L. 1925, Ch. 27, p. 85, as amended by P. L. 1933, Ch. 65.)

There is also a statute providing for the holding by the Commissioner of Banking and Insurance of a public hearing before he shall authorize the estab-

lishment of a branch by a bank or trust company, and indicating how publication of this hearing shall be made and who shall receive notice of such hearing. This statute provides further "that in any case where application is made to establish and maintain a branch office or agency at a location then occupied by any bank, savings bank, trust company or national banking association, in liquidation or in contemplation of liquidation, the commissioner may act immediately thereon without the prior notice, publication and hearing above provided for, and if it shall appear to the commissioner that the establishment and maintenance of such branch office or agency will tend to continue an established banking business at said location, and that it is in the public interest that such established banking business should be so continued, the commissioner may approve such application effective upon or after the discontinuance of such established banking business by the corporation theretofore occupying such location." (Banking Laws, 1935, p. 154; Laws of 1929, Ch. 294, p. 686, as amended by Laws of 1931, 4th Special Session, Ch. 418, Supplementing P. L. 1925, Ch. 27, p. 85.)

"Whenever application shall be made by any bank or trust company to establish or maintain a branch office or agency at a location in the same county, then occupied by any bank, savings bank, trust company or national banking association in liquidation or in contemplation of liquidation, the entire assets of which have been or shall be purchased or otherwise acquired by the bank or trust company making such application, and it shall appear to the commissioner that the establishment and maintenance of such branch office or agency will be of public service and will tend to continue an established banking business at said location and the bank or trust company making such application shall have the capital required by the act to which this is a supplement, said commissioner may approve such application immediately and without notice and effective upon or after the discontinuance of such established banking business by the corporation theretofore occupying such location." (Banking Law, 1935, p. 155; P. L. 1933, Ch. 192.)

There are provisions in connection with the merger of banks with banks, trust companies with trust companies, or banks with trust companies, authorizing, upon the approval of the Commissioner of Banking and Insurance, the establishment of branches at the location or locations of the office or offices of the merged corporations in the same county if the merger is under provisions authorizing the merger of such corporations in the same county, or the establishment of branches in the same municipality if the merger is under provisions authorizing the merger of such corporations in the same municipality, provided the merged corporation has \$50,000 capital if a bank, or \$100,000 if a trust company, for each office to be maintained by it. The law also provides that in the case of merger of corporations in the same municipality, only one office may be maintained if the population is less than 20,000, not more than two offices if the population is between 20,000 and 40,000; not more than three offices if the population is between 40,000 and 80,000; and where such population exceeds 80,000, only such number of offices as the Commissioner of Banking and Insurance may approve. (Banking Laws, 1935, p. 61; P. L. 1925, Ch. 198, p. 474, sec. 9, as amended by P. L. 1933, Ch. 59, supplementing P. L. 1899, Ch. 173); (Banking Laws, 1935,

p. 114; P. L. 1925, Ch. 197, p. 469, sec. 9, as amended by P. L. 1933, Ch. 58 and P. L. 1933, Ch. 408, supplementing P. L. 1899, Ch. 174); (Banking Laws, 1935, p. 150; P. L. 1925, Ch. 203, p. 484, as amended by P. L. 1933, Ch. 60.)

Any *savings bank* "incorporated under the laws of this State may establish, with the written approval of the commissioner of banking and insurance, and maintain branch offices or agencies for the transaction of its business; provided, that the approval of the commissioner of banking and insurance shall be given by him only if he shall be of the opinion that the establishment of such branch office or agency will be beneficial to the public; * * * and provided further, that such branch office or agency shall be established only within the corporate limits of the municipality (other than county) in which such savings bank is located; and provided, further, that no such branch office or agency shall be established in any municipality (other than county) if the population thereof be less than twenty-five thousand, according to the latest decennial, State or Federal census, and not more than one such branch office or agency shall be established by any such savings bank if the population of the municipality wherein the same is located be, according to such census, less than fifty thousand, and no more than two such branch offices or agencies shall be established by such savings bank if the population of such municipality, according to such census, be less than one hundred thousand." (Banking Laws, 1935, p. 7; P. L. 1925, Ch. 228, p. 552, as amended by P. L. 1927, Ch. 34, p. 75.)

"Any savings bank may discontinue any such branch office or agency with the written approval of the commissioner of banking and insurance, and upon such prior public notice as he shall prescribe." (Banking Laws, 1935, p. 8; P. L. 1925, Ch. 228, p. 553.)

"The merged or consolidated savings bank may continue to maintain branch offices or agencies for the transaction of its business established pursuant to law by either or both of the merging or consolidating savings banks." (Banking Laws, 1935, p. 41; P. L. 1929, Special Session, Ch. 1, p. 843.)

Capital required.—"* * * nor shall the establishment of such branch office or agency be approved by the Commissioner of Banking and Insurance unless the capital of such bank actually paid-in in cash shall exceed the amount required by law for the incorporation of a bank to the extent of fifty thousand dollars, and the capital of such trust company actually paid-in in cash shall exceed the amount required by law for the incorporation of a trust company to the extent of one hundred thousand dollars for each branch office or agency so established, * * *." (Banking Laws, 1935, p. 152; P. L. 1925, Ch. 27, p. 85, as amended by P. L. 1933, Ch. 65.)

"* * * any savings bank establishing such branch office or agency shall have, according to its last annual report, a surplus of not less than five per centum of the amount of its deposits and, in addition, fifty thousand dollars of surplus for each branch office or agency established, over and above said five per centum of the amount of deposits; * * *." (Banking Laws, 1935, p. 7; P. L. 1925, Ch. 228, p. 552, as amended by P. L. 1927, Ch. 34, p. 75.)

Other branch banking provisions.—There is a provision authorizing the change of location of a trust company of its principal or main office to the location of a branch office or agency; and the change of

location of a branch office or agency to the location of its principal or main office. (Banking Laws, 1935, p. 119; P. L. 1921, Ch. 75, p. 121, Supplementing P. L. 1899, Ch. 174, p. 450.)

NEW MEXICO

Branches prohibited but limited "agencies" permitted.—"Every bank shall be conducted at a single place of business, and no branch thereof shall be maintained elsewhere; provided, however, that nothing herein contained shall be construed to prohibit any mercantile corporation which maintains a banking department in accordance with the provisions of this Act, from receiving deposits and buying and selling exchange at any of its branch stores;

"Provided, Nothing herein contained shall prevent any bank from opening an Agency or Agencies, for the purpose of accepting deposits, cashing checks and buying and selling exchange, in the same county in which said bank is located, in an adjoining county if there be no bank in operation in such adjoining county, or within a radius of one hundred (100) miles from said bank if there be no bank in operation in the county in which such Agency is opened; and provided further, that a permit to open such Agency or Agencies shall first be obtained from the State Bank Examiner."

A fee of \$25.00 is made for the examination of each Agency, which shall be examined at the same time the parent bank is examined. (Sec. 47, Ch. 67, Laws of 1915, as amended by House Bill No. 72 of the Twelfth Legislature; Sec. 13-148, New Mexico Statutes Annotated, 1929, as amended by 1935 session Laws, Ch. 62.)

Capital required.—No additional capital is required for the operation of agency with limited functions.

"Bank" defined.—"The word 'Bank' as used in this act includes every person, firm, company, co-partnership or corporation, except National Banks, engaged in the business of banking in the State of New Mexico. Banks are divided into the following classes: (a) Commercial Banks; (b) Savings Banks; and (c) Trust Companies." (Sec. 2, Chap. 67, Bank Act of 1915; Sec. 13-102, New Mexico Statutes Annotated, 1929.)

NEW YORK

Limited branch banking permitted.—No bank or trust company "or any officer or director thereof, shall transact its usual business * * * at any place other than its principal place of business, except as follows:

"(a) A bank" or trust company "in a city which has a population of more than fifty thousand may open and occupy in such city one or more branch offices, whether or not such city is located entirely within one banking district, and

"(b) A bank" or trust company "may open and occupy a branch office or branch offices in any city or village located in the banking district in which is located its principal office, provided in no event shall a branch be opened and occupied pursuant to this paragraph (b) in a city or village in which are already located one or more banks, trust companies or national banking associations, except for the purpose of acquiring by merger, sale or otherwise the business and property of one or more of such banks, trust companies or national banking associations, whether in liquidation or doing business in the usual course.

"2. Before any branch or branches shall be opened and occupied pursuant to paragraphs (a) and (b) of subdivision one of this section:

"(a) the Superintendent shall have given his written approval as provided in section fifty-one of this chapter and the banking board shall have given its approval by a two-thirds vote of all the members.

"3. Any bank" or trust company "may with the written approval of the superintendent open and occupy a branch office or branch offices in one or more places located without the state of New York, either in the United States of America or in foreign countries." (Secs. 110, 195, Banking Law, 1935.)

No *savings bank*, "or any officer or director thereof, shall transact its usual business at any place other than its principal place of business, without the written permission of the superintendent of banks * * * except that it may, providing the merger agreement so provide, continue to occupy and maintain as a branch office, the place of business occupied and maintained at the time of merger by any savings bank which it has received into itself by merger * * *." (Sec. 245(2), Banking Law, 1935.)

"Upon written approval of the superintendent of banks, * * * a savings bank, located in a city of the first class, may open and occupy within said city one branch office, and if such city comprises more than one county or borough, such branch office may be located only in the same county or borough in which its main office is located. * * *." (Sec. 245(3), Banking Law, 1935.)

Industrial banks may establish branches upon approval by the superintendent of banks. (Sec. 292(6), Banking Law, 1935.)

Capital required.—For a *bank*, "before any branch or branches shall be opened and occupied * * *

"The actual paid-in capital of such bank shall exceed by the sum of one hundred thousand dollars the amount required by section one hundred of this article for each branch opened since the twenty-seventh day of April, nineteen hundred and eight; and by the sum of fifty thousand dollars for each branch opened previous to said date and hereafter maintained." (Sec. 110, Banking Laws, 1935.)

Section 100 referred to above provides for the organization of banks and provides in part that " * * * capital stock shall amount to not less than:

"(a) Twenty-five thousand dollars, if the place where its business is to be transacted is an incorporated or unincorporated village the population of which does not exceed two thousand;

"(b) Fifty thousand dollars, if the place where its business is to be transacted is an incorporated or unincorporated village or a city the population of which exceeds two thousand but does not exceed thirty thousand;

"(c) One hundred thousand dollars, if the place where its business is to be transacted is a city the population of which exceeds thirty thousand." (Sec. 100, Banking Laws, 1935.)

For a *trust company*, "before any branch or branches shall be opened and occupied * * *

"The actual paid in capital of such trust company shall exceed by the sum of one hundred thousand dollars the amount required by section one hundred and eighty of this article for each branch opened." (Sec. 195, Banking Laws, 1935.)

Section 180 referred to above provides for the organization of trust companies and provides in part that "capital stock shall amount to not less than:

"(a) One hundred thousand dollars, if the place where its business is to be transacted is an incorporated or unincorporated village or city the population of which does not exceed twenty-five thousand.

"(b) One hundred and fifty thousand dollars, if the place where its business is to be transacted is a city the population of which exceeds twenty-five thousand but does not exceed one hundred thousand.

"(c) Two hundred thousand dollars, if the place where its business is to be transacted is a city the population of which exceeds one hundred thousand but does not exceed two hundred and fifty thousand.

"(d) Five hundred thousand dollars, if the place where its business is to be transacted is a city the population of which exceeds two hundred and fifty thousand." (Sec. 180, Banking Laws, 1935.)

Other branch banking provisions.—The approval of the superintendent of banks of an application by a State bank, trust company or savings bank for leave to open a branch office is made dependent upon whether or not he considers that "the granting of such application is expedient and desirable" after he has made "such investigation as he may deem necessary to ascertain whether the public convenience and advantage will be promoted by the opening of such branch office." Every savings bank intending to establish a branch must so notify every other savings bank within the county in which the proposed branch is to be established. (Secs. 51, 245(3), Banking Laws, 1935.)

"Banking district" defined.—"The state is hereby divided into nine banking districts, which shall be arranged as follows:

"The first banking district shall consist of the counties of Kings, Queens, Nassau and Suffolk;

"The second banking district shall consist of the counties of Richmond, New York and Bronx;

"The third banking district shall consist of the counties of Westchester, Rockland, Putnam, Dutchess, Orange, Ulster and Sullivan;

"The fourth banking district shall consist of the counties of Columbia, Rensselaer, Washington, Greene, Albany, Schenectady, Saratoga, Warren, Essex, Schoharie, Montgomery, Fulton, Hamilton, Otsego and Clinton;

"The fifth banking district shall consist of the counties of Jefferson, Lewis, Saint Lawrence and Franklin;

"The sixth banking district shall consist of the counties of Herkimer, Madison, Oneida, Onondaga, Oswego, Cayuga and Seneca;

"The seventh banking district shall consist of the counties of Chemung, Schuyler, Tioga, Tompkins, Broome, Delaware, Cortland and Chenango;

"The eighth banking district shall consist of the counties of Monroe, Wayne, Livingston, Ontario, Yates and Steuben;

"The ninth banking district shall consist of the counties of Chautauqua, Cattaraugus, Allegany, Erie, Niagara, Wyoming, Genesee and Orleans." (Sec. 4, Banking Laws, 1935.)

NORTH CAROLINA

Branches permitted.—"Any bank doing business under this chapter may establish branches in the cities in which they are located, or elsewhere, after having first obtained the written approval of the commissioner of banks, which approval may be given or withheld by the commissioner of banks, in his discretion, and shall not be given until he shall have

ascertained to his satisfaction that the public convenience and advantage will be promoted by the opening of such branch. Such branch banks shall be operated as branches of and under the name of the parent bank, and under the control and direction of the board of directors and executive officers of said parent bank. The board of directors of the parent bank shall elect a cashier and such other officers as may be required to properly conduct the business of such branch, and a board of managers or loan committee shall be responsible for the conduct and management of said branch, but not of the parent bank or of any branch save that of which they are officers, managers, or committee: * * * (Sec. 220 (r), Banking Laws, 1935.)

Every industrial bank shall have power "to establish branch offices or places of business within the county in which its principal office is located, and elsewhere in the state, after having first obtained the written approval of the commissioner of banks * * * in his discretion: * * * (Sec. 225 (f) (4), Banking Laws, 1935.)

"Bank" defined.—"The term 'bank' shall be construed to mean any corporation, partnership, firm, or individual receiving, soliciting, or accepting money or its equivalent on deposit as a business: Provided, however, this definition shall not be construed to include building and loan associations, Morris plan companies, industrial banks or trust companies not receiving money on deposit." (Sec. 216 (a), Banking Laws, 1935.)

Capital required.—" * * * the commissioner of banks shall not authorize the establishment of any branch, the paid-in capital stock of whose parent bank is not sufficient in an amount to provide for the capital of at least twenty-five thousand dollars for the parent bank, and at least twenty-five thousand dollars for each branch which it is proposed to establish in cities or towns of three thousand population or less; nor less than thirty thousand dollars in cities and towns whose population exceeds three thousand, but does not exceed ten thousand; nor less than fifty thousand dollars in cities and towns whose population exceeds ten thousand, but does not exceed twenty-five thousand; nor less than one hundred thousand dollars in cities and towns whose population exceeds twenty-five thousand. All banks operating branches prior to February 18, 1921, shall, within a time limit to be prescribed by the commissioner of banks, cause said branch bank to conform to the provisions of this section: Provided, however, that any bank with a capital stock (including both common and preferred) of one million (\$1,000,000.00) dollars or more which qualifies for non-assessable stock under the provisions of sections 219 (a) 1 et seq., may without additional capital establish and operate such number of branches or agencies in the state of North Carolina as the commissioner of banks may in his discretion permit; but a bank operating branches under this proviso shall at all times maintain an unimpaired capital of at least one million (\$1,000,000.00) dollars: Provided further, that the commissioner of banks shall not permit the establishment of additional branches, and/or agencies unless said bank maintains its capital stock and surplus in ratio of one to ten to its deposits; Provided that in small communities having no other banking facilities, and upon a finding by the commissioner of banks that the public convenience and advantage will be promoted thereby, the opening of 'tellers window agencies or branches' of then existing

banks may be permitted, but no more than one such agency or branch may be so opened in any one community nor shall any bank be permitted to open such an agency or branch when its unimpaired capital and surplus" is less than 10 per cent of its deposits. (Sec. 220 (r), Banking Laws, 1935.)

In connection with industrial bank branches, "the commissioner of banks shall not authorize the establishment of any branch the paid-in capital of whose parent bank is not sufficient in amount to provide for the capital of at least twenty-five thousand dollars (\$25,000.00) for the parent bank and at least twenty-five thousand dollars (\$25,000.00) for each branch which it is proposed to be established in cities or towns of fifteen thousand population or less; nor less than fifty thousand dollars (\$50,000.00) in cities or towns whose population exceeds fifteen thousand but does not exceed twenty-five thousand; nor less than one hundred thousand dollars (\$100,000.00) in towns whose population exceeds twenty-five thousand." (Sec. 225 (f) (4), Banking Laws, 1935.)

NORTH DAKOTA

Branches unauthorized.—There are no provisions in the North Dakota laws permitting or prohibiting branch banking.

OHIO

Limited branch banking permitted.—"No branch bank shall be established until the consent and the approval of the superintendent of banks has been first obtained, and no bank shall establish a branch bank in any place other than that designated in its articles of incorporation, except in a city or village contiguous thereto, or in other parts of the county or counties in which the municipality containing the main bank is located, provided, however, that any bank may maintain and operate as a branch bank a bank located in a county contiguous to the county or counties in which the municipality containing the main bank is located, and which on the first day of January, 1935, and prior thereto, bore to the main bank the relationship of affiliate within the meaning of that term as the same is used in the 1933 banking act of the United States and the amendments thereto. If such consent and approval is refused, an appeal may be taken therefrom in the same manner as is provided in section 710-45 of the General Code." (Sec. 710-73, Banking Laws, 1935.)

Capital required.—"No bank shall hereafter be permitted to establish a branch or branches * * * unless such bank has, in addition to the minimum capital herein required, sufficient capital equal to a minimum of thirty-five thousand dollars for each such branch to be established in a village the population of which is less than five thousand; an additional minimum of fifty thousand dollars for each such branch to be established in a city or village the population of which exceeds five thousand but does not exceed twenty-five thousand and an additional minimum of one hundred thousand dollars for each such branch to be established in a city, the population of which exceeds twenty-five thousand." (Sec. 710-37, Banking Laws, 1935.)

These capital requirements shall not apply to any branches heretofore established. (Sec. 710-38, Banking Laws, 1935.)

Other branch banking provisions.—There is a provision as to yearly fees to be paid the State for the

operation of each branch. (Sec. 710-17, Banking Laws, 1935.)

"Bank" defined.—The term "bank" includes commercial banks, savings banks, trust companies, special plan banks, and unincorporated banks. (Sec. 710-2, Banking Laws, 1935.)

OKLAHOMA

Branches unauthorized.—There are no provisions in the Oklahoma banking laws permitting or prohibiting branch banking.

OREGON

Branches permitted.—"Any bank or trust company * * * may establish and maintain one or more branch offices at any place within the state of Oregon; * * *."

"Any bank or trust company located in a county of less than 200,000 population, according to the last previous federal census, may establish and maintain one or more branch offices at any place within the county or outside the county within the tributary trade area as such may be determined by the superintendent of banks; * * *"

"No branch shall be established in any city, town, village or community of less than 50,000 population according to the last previous federal census where there is a national or state bank regularly transacting a customary banking business, except by taking over an existing national or state bank or trust company or trust department within said city, town, village or community." (Ch. 150, 1933 Oregon Laws, as amended by Ch. 96, Laws of 1933, 2nd Special Session.)

Every trust company with power to examine and guarantee titles to real estate may establish and maintain branches for that purpose, provided that such trust company shall not do any banking or trust business at such branches. (Sec. 22-1213, paragraph 16, Oregon Code of 1930, as amended by Sec. 16, Ch. 278, Laws of 1931.)

Capital required.—For state-wide branch banking, or for the establishment of any branch in the same county as the parent institution in those cases where the parent institution is located in a county having a population of 200,000 or more, \$1,000,000 unimpaired capital actually paid-in, but trust companies not receiving commercial or savings deposits need only have \$500,000 capital. The unimpaired capital and surplus must equal the aggregate amount which would be required by law to organize banks in those places where the main office and branches are to be located.

No minimum capital is required for the establishment of branches "within the same county or outside the county within the tributary trade area" if the county in which the bank or trust company is located has less than 200,000 population; but an unimpaired capital and surplus equal to the aggregate amount which would be required by law to organize banks in those places where the main office and branches are to be located is required. (Oregon Laws of 1933, Ch. 150, as amended by Ch. 96, Sec. 1, Laws of 1933, 2nd Special Session.)

There is a provision requiring foreign banks or trust companies maintaining offices in this state to "maintain at every such office a capital of not less than the amount required by this act for the organization of other banks or trust companies" and re-

quiring every such foreign bank to "maintain a capital and surplus which must equal at least 10 per cent of the deposit liabilities of such foreign bank." (Sec. 22-1303, Banking Laws, 1930.)

Other branch banking provisions.—There are also provisions as to the application to the superintendent of banks for the establishment of a branch; fee for filing such application; advertising by the branch; reports to superintendent as to deposits received; removal or discontinuance of such branches, fees for examinations; and related matters. (Ch. 150, 1933 Oregon Laws.)

PENNSYLVANIA

Limited branch banking permitted.—A bank or a bank and trust company shall have power "to establish branch banks, branch offices, agencies, sub-offices, sub-agencies, and branch places of business, as permitted in this act;" (Act of May 15, 1933, P. L. 624, sec. 1001, A-15, as amended by Act of January 2, 1934, P. L. 128, sec. 1, and Act of June 11, 1935, P. L. 306, sec. 1.)

A *trust company* shall have power "to establish branch trust companies, branch offices, agencies, sub-offices, sub-agencies, and branch places of business, as permitted in this act;" (Act of May 15, 1933, P. L. 624, sec. 1001, B-4, as amended by Act of January 2, 1934, P. L. 128, sec. 1, and Act of June 11, 1935, P. L. 306, sec. 1.)

A *savings bank* shall have power "to establish branch savings banks, branch offices, agencies, sub-offices, sub-agencies, and branch places of business, as permitted in this act;" (Act of May 15, 1933, P. L. 624, sec. 1202(9), as amended by Act of January 2, 1934, P. L. 128, sec. 1, and Act of June 11, 1935, P. L. 306, sec. 1.)

"A. An institution shall not establish, maintain, or operate, either directly or indirectly, any branch bank, branch office, agency, sub-office, sub-agency, or branch place of business within this Commonwealth for the transaction of any part of its business, but all of the business of such institutions shall be carried on solely and exclusively at its principal place of business, except as may be permitted by this act.

"B. Any institution may continue to maintain and operate any branch bank, branch office, agency, sub-office, sub-agency, or branch place of business lawfully established by such institution.

"C. Any institution may, in the manner provided by this act for an amendment to its articles, or in pursuance of a plan of merger or consolidation, in accordance with the provisions of this act, and in the case of a private bank with the prior written approval of the department, establish a branch bank, branch office, agency, sub-office, sub-agency, or branch place of business at any place within this Commonwealth where, at the time such institution proposes to establish such branch bank, branch office, agency, sub-office, sub-agency, or branch place of business, any national banking association, having its principal office in the same county as that in which the principal office of the institution proposing to take such action is located, would have the power, under the laws of the United States, now or hereafter enacted, to establish a branch bank, branch office, agency, sub-office, sub-agency, or branch place of business of such national banking association.

"D. Any institution may, in the case of an incorporated institution, in the manner provided in this act for an amendment to its articles, or in pursuance

of a plan of merger or consolidation in accordance with the provisions of this act, and in the case of a private bank, with the prior written approval of the department—(1) establish a branch bank, branch office, agency, sub-office, sub-agency, or branch place of business within the corporate limits of the city of the first class or the second class in which the principal place of business of the institution is located, or within the corporate limits of the city or borough in which the principal place of business is located, and in which the institution was authorized by law to establish a branch bank, branch office, agency, sub-office, sub-agency, or branch place of business on the first day of January, one thousand nine hundred and thirty-five, and may (2), establish a branch bank, branch office, agency, sub-office, sub-agency, or branch place of business in any place within the county in which its principal place of business is located, or in any place within any county contiguous to the county in which its principal place of business is located, if the city, borough or other community in which such branch bank, branch office, agency, sub-office, sub-agency, or branch place of business is to be established is without banking facilities, or, in the case of a merger or consolidation, is without banking facilities other than an institution or national banking association which is a party to the plan of merger or consolidation in accordance with this act.

"Provided, that an institution shall not have the power to establish a branch bank, branch office, agency, sub-office, sub-agency, or branch place of business in any county, other than the county in which its principal place of business is located, if a branch bank, branch office, agency, sub-office, sub-agency, or branch place of business is at the same time established or maintained, or is authorized by the articles of incorporation, or otherwise, to be established or maintained in any county, other than the county in which its principal place of business is located by—

"(1) Another institution or national banking association with which such institution is affiliated; or

"(2) An institution or national banking association with which such other institution or national banking association is affiliated; or

"(3) An institution or national banking association which is affiliated with any corporation or person with which such other institution or national banking association is affiliated; or

"(4) An institution or national banking association which is affiliated with any corporation or person with which such institution is affiliated, * * *." There are also provisions defining the term "affiliated." (Act of May 15, 1933, P. L. 624, sec. 204, as amended by Act of December 30, 1933, P. L. 125, sec. 1, and Act of July 2, 1935, P. L. 507, sec. 1.)

"A private bank, which, upon the effective date of this act, lawfully maintains one or more offices or places of business in any other state or foreign country, may continue to maintain and operate any such offices or places of business * * *." (Act of May 15, 1933, P. L. 624, sec. 203 (C), as amended by Act of June 21, 1935, P. L. 369, sec. 1.)

"Any merger or consolidation authorized by this section shall not be effective if the effect thereof is to establish any branch bank, branch office, agency, sub-office, sub-agency, or branch place of business in violation of the provisions of this act." (Act of May 15, 1933, P. L. 624, sec. 1401 (E), as amended by Act of June 21, 1935, P. L. 369, sec. 1.)

Capital required.—" * * * nor shall an institution have the power to establish any branch bank, branch office, agency, sub-office, sub-agency, or branch place of business, unless, in the case of a bank, a bank and trust company, or a trust company, its unimpaired capital and unimpaired surplus, respectively, are equal to an amount, not less than the aggregate capital and surplus, respectively, required by this act for the incorporation of such number of similar institutions, as is equal to the total number of its places of business, including such branch bank, branch office, agency, sub-office, sub-agency, or branch place of business, excepting that, if any place of business included in such total number is located or is to be located in a borough or township, the population of which does not exceed five thousand, not more than fifty per centum of the capital and surplus, respectively, required by this act need be included for such particular place of business in the aggregate capital and surplus respectively required by this section, and in the case of a savings bank, unless its surplus and expense fund equal a minimum amount approved by the department, and in the case of a private bank, unless its net worth equals a minimum amount approved by the department." (Act of May 15, 1933, P. L. 624, sec. 204, D-4, as amended by Act of December 30, 1933, P. L. 125, sec. 1, and Act of July 2, 1935, P. L. 507, sec. 1.)

Other branch banking provisions.—There are also detailed provisions as to the procedure to be followed when a bank, trust company or savings bank proposes to establish a new branch or when such a corporation proposes to merge with another corporation and thereby establishes a branch. (Act of May 15, 1933, P. L. 624, secs. 806, 808, 1404 and 1406, as amended by Act of July 2, 1935, P. L. 507, sec. 1.)

RHODE ISLAND

Branches permitted.—Any bank or trust company, including a savings bank, "may establish a branch or branches within this state at any other place than its principal place of business upon obtaining the consent of the board of bank incorporation thereto. Said board of bank incorporation shall, before giving such consent, require that a notice of such intention to establish a branch or branches of said bank or trust company shall be given for the same period of time and in the same manner, and a hearing had thereon, as is provided in the case of incorporation of banks or trust companies" or savings banks. (Sec. 9, Ch. 269 and Sec. 14, Ch. 270, Banking Laws, 1934; Ch. 269, Sec. 9 and Ch. 270, Sec. 14, General Laws of Rhode Island.)

Capital required.—No additional capital is required.

SOUTH CAROLINA

Branches permitted by implication.

Capital required.—"Every banking company or corporation hereafter organized shall * * * for each branch bank that is established * * * have a total unimpaired capital of at least Twenty-five Thousand (\$25,000.00) Dollars above the minimum requirements herein set forth." (Sec. 23, Banking Laws, 1930, p. 11; Acts of 1928, Ch. 701, Sec. 2.)

"That from and after the passage of this Act branch banks shall be required to have subscribed to and paid in in cash, or allocated to, for each branch established, the same amount of capital stock and surplus as is now required for the establishment of

independent banks in any given locality in South Carolina" namely, \$25,000 in towns of 3,000 population or less; \$50,000 in towns of between 3,000 and 10,000 population; and \$100,000 in towns of over 10,000 population. (Sec. 25, Banking Laws, 1930, p. 13; Acts of 1930, No. 813, p. 1353.)

There is also a provision which permits the organization of small banks with a lesser amount of capital than that required by the general laws in towns which have no banking facilities, but which provides "that no branch bank shall be organized under the provisions of this Act." (Act No. 775, 1932 Laws, Approved March 26, 1932.)

Other branch banking provisions.—Provision is also made for the publication of statements of the assets and liabilities of branch banks or offices, for the examination of branch banks, and for the taxation of banks having branches. (Secs. 70, 98, 122, Banking Laws, 1930, pp. 32, 53, 68.)

SOUTH DAKOTA

Branches permitted.—"A bank may establish and operate branch banks within the State with the permission of the State Banking Commission, under such rules and regulations as they shall prescribe, not inconsistent with the laws of this State and permission to establish and operate branch banks within the State shall rest solely in the discretion of the State Banking Commission. * * * Branch banks may be established by a bank consolidating with or purchasing the assets of another bank situated in the State and banks within the State are hereby authorized to consolidate for such purpose. No branch bank shall be established in any city or town of less than three thousand (3,000) population where there is an existing national or State bank regularly transacting a customary banking business, except by purchase of or consolidating with all existing banks located in such city or town, and no branch bank shall be established in any city or town of more than 3,000 population and less than 15,000 population where there are two or more existing banks, either State or national, legally transacting customary banking business, except by purchase of or consolidating with an existing bank or banks located in such city or town. * * *" (Ch. 2, Special Session Laws of 1933.)

"Any bank or trust company operating under the laws of this State is hereby authorized, subject to the approval of the Superintendent of Banks, to establish an office within the county of its domicile, or adjoining counties, for the purpose of receiving deposits, issuing drafts and cashier's checks, making change, and paying checks, and performing such other clerical and routine duties not inconsistent with this act. Provided, however, that no such office shall make loans or discounts, and that no such office shall be continued in any town or city after a regular authorized banking corporation has received authority to commence business in such town or city, and, provided that no more than one office shall be established in any one town or city, and, provided further, that nothing in this Act shall be deemed as authority for the establishment of branch banks. Nothing in this Section shall prohibit national banks the privileges of this Section whenever they may be so authorized by federal law." (Ch. 54, Laws of 1935, Act approved March 14, 1935.)

Capital required.—" * * * Such bank must have a paid-in and unimpaired capital stock of not less

than the aggregate minimum capital required by law for the establishment of an equal number of banks situated in the various places where such bank and its branches are situated and not less than one hundred thousand dollars. * * *" (Ch. 2, Special Session Laws of 1933.)

Other branch banking provisions.—Provision is also made for the taxation of branch banks. (Ch. 3, Special Session Laws of 1933.)

TENNESSEE

Limited branch banking permitted.—"No corporation, firm, or individual, after said date, (April 6, 1925) shall create and operate any branch bank, office, or agency, for the purpose of receiving deposits, paying checks, making loans, or receiving or discounting bills or notes in any place whatsoever other than the county wherein its principal office is located and its principal banking business is carried on." (Sec. 5950, Banking Laws, 1935; Sec. 5950, William's and Shannon's Code of Tennessee, 1932.)

"This law shall not apply to branch banks, offices, or agencies maintained and operated on April 6, 1925, by any corporation, firm or individual doing or carrying on a banking business in the state in places other than the county of this state wherein such banking business is carried on." (Sec. 5949, Banking Laws, 1935; Sec. 5949, William's and Shannon's Code of Tennessee, 1932.)

Capital required.—No additional capital is required.

TEXAS

Branches prohibited.—" * * * Such body corporate (banking corporation) shall not be authorized to engage in business at more than one place, which shall be designated in its charter. * * *" (Ch. 1, Sec. 4, Banking Laws, 1933; Constitution, Art. 16, Sec. 16.)

"No banking corporation organized under the laws of this State shall ever engage in business at more than one place, which shall be designated in its charter. No such corporation shall maintain a branch bank, receive deposits or pay checks except in its own banking house. * * *" (Ch. 6, Art. 538, Banking Laws, 1933; Art. 538, Revised Statutes of 1925.)

UTAH

Branches permitted.—"The business of every bank shall be conducted only at its banking house, and every bank shall receive deposits and pay checks only at its banking house, except as hereinafter provided. Any bank having a paid in capital of not less than \$50,000 and a paid in capital and surplus of not less than \$100,000 may with the approval of the bank commissioner and the governor, establish and operate branches for the transaction of its business within this state: provided, that no bank shall establish more than one branch for each \$50,000 of its paid in capital. No branch bank shall be established in any city, town or village in which is located a bank or banks, state or national, regularly transacting a customary banking business unless the bank seeking to establish such branch shall take over an existing bank or obtain the consent of all banks therein located, except that in cities of the first class, branches may be established without such consent; and provided further, that whenever application is made for the establishment of any branch the commissioner shall give notice thereof by publication

in a newspaper of general circulation in the city or town in which such branch is to be established and shall hold a public hearing at a time and place within such city or town, in such notice specified, at which time any citizen may appear in support of or opposition to such application. No unit bank hereafter organized and operating at a point where there are other operating banks, state or national, shall be permitted to be acquired by another bank for the purpose of establishing a branch until such bank shall have been in operation as such for a period of five years.

* * * * *

"The term 'branch' as used in this act shall be held to include any branch bank, branch office, branch agency, additional office or any branch place of business at which deposits are received, or checks paid, or money lent.

"Any bank desiring to establish one or more branches, or offices, shall file a written application therefor in such form and containing such information as the bank commissioner may require. No bank shall be permitted to establish any branch or office until it shall first have been shown to the satisfaction of the bank commissioner and the governor that the public convenience and advantage will be subserved and promoted by the establishment of such branch or office and the bank commissioner may by order permitting the establishment of such branch or office designate and limit the character of work and service which may therein be performed." (Sec. 7-3-6, Banking Laws, 1935; Sec. 7-3-6, 1933 Revised Statutes, as amended by Sec. 1, ch. 6, Laws of 1933.)

"* * * No loan and trust corporation shall open, establish or maintain any branch office." (Sec. 7-4-7, Banking Laws, 1935; Sec. 7-4-7, 1933 Revised Statutes.)

Capital required.—"* * * Any bank having a paid-in capital of not less than \$50,000 and a paid-in capital and surplus of not less than \$100,000 may with the approval of the bank commissioner and the governor, establish and operate branches for the transaction of its business within this state; provided, that no bank shall establish more than one branch for each \$50,000 of its paid in capital. * * *" (Sec. 7-3-6, Banking Laws, 1935; Sec. 7-3-6, 1933 Revised Statutes, as amended by Sec. 1, Ch. 6, Laws of 1933.)

Other branch banking provisions.—There are provisions requiring the assessment of a fee whenever an application is made to establish a branch, and making the laws relating to the examination of banks applicable to such branches. (Sec. 7-3-6, Banking Laws, 1935; Sec. 7-3-6, 1933 Revised Statutes, as amended by Sec. 1, Ch. 6, Laws of 1933.)

VERMONT

Branches permitted.—"A bank or trust company incorporated under the laws of this state may establish and maintain agencies and branches for the general transaction of a banking business in towns other than that in which its main office is located.

"Before a savings bank, trust company or a savings bank and trust company opens an agency or branch of such corporation it shall petition the commissioner to hold a public hearing in the town where the proposed agency is to be located, to determine whether the establishment and maintenance thereof

will promote the general good of the state. The commissioner shall thereupon appoint a time and place in such town for hearing the petition, and shall make an order for the publication of the substance of the petition and of the time and place of hearing three weeks successively in a newspaper published in the county wherein such town is situated, or, for want thereof, in an adjoining county, the last publication to be at least twelve days before the day appointed for the hearing.

"If after the hearing the commissioner finds and adjudges that the establishment and maintenance of the proposed agency will promote the general good of the state, he shall give the bank a certificate to that effect under his seal.

"A savings bank, trust company or savings bank and trust company shall not operate an agency not certified by the commissioner as provided in the preceding section.

"An agency of a bank which was in operation with the permission of the commissioner prior to February 1, 1929, shall be permitted to continue." (Sec. 6676-6680, Banking Laws, 1934; Sec. 6676-6680, Ch. 272, Public Laws of Vermont.)

"* * * Any two or more banks located and doing business in this state, with the approval of the commissioner, may merge or consolidate into a single corporation to engage in the business of a savings bank or trust company, or merge or consolidate with a national bank, and the merged bank may establish a branch at any location at which the bank discontinued by such merger or consolidation might have conducted its business." (Sec. 6660, Ch. 272, Public Laws of Vermont, as amended by Act No. 175, approved March 29, 1935.)

Capital required.—No additional capital is required.

VIRGINIA

Branches permitted.—"No bank or trust company heretofore or hereafter incorporated under the laws of this State shall be authorized to engage in business in more than one place, except that, (a) in its discretion the State Corporation Commission may authorize banks having a paid-up and unimpaired capital and surplus of fifty thousand dollars or over to establish branches within the limits of the city, town, or village in which the parent bank is located.

"(b) The State Corporation Commission may, in its discretion, also authorize banks located in any city to establish branches within other cities having a population of not less than fifty thousand inhabitants.

"(c) This section shall not be construed to prohibit the merger of banks in the same or adjoining counties or of banks located within a distance of twenty-five miles of a parent bank and the operation by the merged company, of such banks, nor to prohibit the sale of any bank to, and the purchase thereof by, any other bank in the same or adjoining counties or within a distance of twenty-five miles and the operation of such banks by the purchasing bank, provided the approval of the State Corporation Commission is first had. The term 'adjoining counties,' where more than two are involved, shall be construed to mean counties each of which shall adjoin the county in which the parent bank is located.

"(d) This section, however, shall not apply to branch banks already established.

"(e) No branch bank heretofore or hereafter

established shall be operated or advertised under any other name than that of the identical name of the home bank, unless permission be first had and obtained from the State Corporation Commission, and unless such different name shall contain or have added thereto language clearly indicating that it is a branch bank and of which bank it is a branch.

"Any bank or trust company violating the provisions of this section shall be liable to a fine of one thousand dollars, to be imposed and judgment entered therefor by the State Corporation Commission, and enforced by its process." (Sec. 4149 (14), Banking Laws, 1934.)

Every bank having a branch or branches shall be assessed fifty dollars per branch as an examination fee. (Sec. 4149 (56), Banking Laws, 1934.)

Capital required.—Banks or trust companies in order to establish branches in the city, town or village in which the parent bank is located, must have a paid-in and unimpaired capital and surplus of fifty thousands dollars or over. (Sec. 4149 (14) (a), Banking Laws, 1934.)

WASHINGTON

Branches permitted—limitations.—" * * * nor shall any bank or trust company establish any branch except in accordance with the provisions of this act. The practice of collecting or receiving deposits or cashing checks at any place or places other than the place where the usual business of a bank or trust company and its operations of discount and deposit are carried on shall be held and construed to be establishing a branch: * * *" (Sec. 3222, Remington's Revised Statutes, as amended by Sec. 3, Ch. 42, Laws of 1933, approved February 27, 1933.)

"A bank or trust company having a paid-in capital of not less than five hundred thousand dollars may, with the approval of the supervisor of banking, establish and operate branches in any city or town within the state. A bank or trust company having a paid-in capital of not less than two hundred thousand dollars may, with the approval of the supervisor of banking, establish and operate branches within the limits of the county in which its principal place of business is located.

* * * * *

"No bank or trust company shall establish or operate any branch in any city or town outside the city or town in which its principal place of business is located in which any bank, trust company or national banking association regularly transacts a banking or trust business, except by taking over or acquiring an existing bank, trust company or national banking association or the branch of any bank, trust company or national banking association operating in such city or town." (Sec. 3231-1 Remington's Revised Statutes, as added by Sec. 5, Ch. 42, Laws of 1933, approved February 27, 1933.)

No *savings bank* "or any officer or director thereof shall receive deposits or transact any of its usual business at any place other than its principal place of business or an authorized branch.

"A savings bank, with the approval of the supervisor of banking, may take over and operate one branch in the city in which the principal place of business of the bank is located, but only upon the conditions and subject to the limitations following:

"(a) If the guaranty fund amounts to at least five hundred thousand dollars.

"(b) Not more than three branches may be established in the county in which the principal place of business of the bank is located, and none in any other county.

"(c) A branch shall not be established at a place at which the supervisor of banking would not permit a proposed new savings bank to engage in business, by reason of any consideration contemplated by section 4 of this act, being section 3316 of Remington's Revised Statutes, the provisions of which, so far as applicable, including those relating to appeals, shall extend to applications to establish branches." (Sec. 3344, Remington's Revised Statutes, as amended by Ch. 143, Laws of 1933, approved March 17, 1933.)

"The use of the term 'savings bank' in this act refers to mutual savings banks only. * * *" (Sec. 216, Banking Laws, 1929; Sec. 3378, Remington's Revised Statutes.)

Capital required.—\$200,000 paid-in capital in order to establish branches within the same county as the parent bank; and \$500,000 paid-in capital in order to establish branches elsewhere in the State.

"The aggregate paid-in capital stock of every bank or trust company operating branches shall at no time be less than the aggregate of the minimum capital required by law for the establishment of an equal number of banks or trust companies in the cities or towns wherein the principal office or place of business of such bank or trust company and its branches are located." (Sec. 3231-1 Remington's Revised Statutes, as added by Sec. 5, Ch. 42, Laws of 1933, approved Feb. 27, 1933.)

Mutual savings bank's guaranty fund must amount to at least \$500,000. (Sec. 3344, Remington's Revised Statutes, as amended by Ch. 143, Laws of 1933, approved March 17, 1933.)

"Branch" of banks and trust companies defined.—"The term 'branch bank' where used in this act, means any office of deposit or discount maintained by any bank or trust company, domestic or otherwise, other than its principal place of business, regardless of whether it be in the same city or locality." (Sec. 3221, Remington's Revised Statutes, as amended by Sec. 2, Ch. 42, Laws of 1933, approved Feb. 27, 1933.)

Foreign Bank branch.—A branch of a foreign bank which was in operation within this State at the time the act of 1917 became effective and which branch has a capital not less in amount than that required for the organization of a State bank as provided in that act at the time and place when and where such branch was established, may continue its business within the State. (Sec. 51, Banking Laws, 1929; Sec. 3248, Remington's Revised Statutes.)

WEST VIRGINIA

Branches prohibited.—"No banking institution chartered and authorized to engage in business under the laws of this State, shall hereafter install or maintain any branch bank, or engage in business at any place other than at its principal office in the state of West Virginia: * * *" (Sec. 9, Ch. 31, Art. 4, Banking Laws, 1931.)

WISCONSIN

Branches prohibited.—" * * * no bank shall establish more than one office of deposit and discount or establish branch offices or branch banks, provided that this prohibition shall not apply to any branch

office or bank established prior to May 14, 1909." (Sec. 221.04 (1) (f), Banking Laws, 1935.)

No trust company shall "establish more than one office of deposit nor establish nor maintain branches." (Sec. 223.06, Banking Laws, 1935.)

Limited receiving and paying stations permitted.—

"(1) Any bank may establish and maintain a receiving and paying station in the manner provided in this section, in any community not having adequate banking facilities, anywhere within the county in which the home office of the bank is located or anywhere in any adjoining county having a population of less than sixteen thousand, or in any other county if within the trade area of the home office of the bank and not more than twenty-five miles from such home office, but no bank shall be permitted to establish, maintain or operate more than four such receiving and paying stations nor any such station within four miles of any other existing bank or an authorized receiving and paying station of any other bank; however, any such station in operation at the time of the passage of this act shall not be subject to the four-mile limit.

"(2) Any bank desiring to establish such a receiving and paying station shall make application to the banking commission in such manner and in such form as shall be prescribed by the commission, giving such information as the commission may require and shall at the time of filing the application pay to the commission twenty-five dollars to defray the cost of investigation by the commission.

"(3) The banking commission shall thereupon estimate from the best sources of information at its command and by such investigation as it may deem necessary whether public convenience and advantage will be promoted by allowing such station to be established and maintained, and the commission shall also investigate the management and the solvency of the applicant bank, the adequacy of existing banking facilities and the surrounding territory from which the patronage would be drawn.

"(4) After completing such investigation, the commission shall make written report to the banking review board stating the results of its investigation and its recommendation. The said board shall consider the matter, conducting any hearing it may deem necessary, and shall promptly make its decision approving or disapproving the establishment and maintenance of the proposed station. The decision of the banking review board shall be final.

"(5) No bank when more than ten per cent of the

stock is owned, held or controlled by any corporation, or by an association, investment trust or other form of trust or by a chain bank or holding company, shall be permitted to establish a receiving and paying station.

"(6) No banking business shall be transacted in any such station other than receiving and paying out deposits, issuing drafts and travelers' checks, handling and making collections, and cashing checks and drafts.

"(7) Whenever a paying and receiving station shall be permitted to operate under this section, the banking commission in each case shall prescribe the rules and regulations for its operation.

"(8) Whenever the banking commission shall determine that the continued operation of any such station will no longer promote public convenience and advantage, and that it will prove detrimental to the bank operating such station, the commission shall have written report thereon to the banking review board. Said board shall promptly consider the matter and may hold a hearing thereon, and shall decide whether or not the permit to operate such station shall be revoked. If the review board decides that the permit shall be revoked, it shall certify its decision to the banking commission and said commission shall forthwith order the discontinuance of such station within such time as the commission may specify therein. A copy of said order shall be transmitted to the bank operating such station.

"(9) Whenever any bank, which has been granted a permit to establish and maintain such a receiving and paying station, shall deem it advisable to discontinue the maintenance of such station, it may make written application to the banking commission for the cancellation of its permit, and the commission shall thereupon enter its order, cancelling such permit, within such time as the commission may specify therein.

"(10) This section shall not be construed as committing the state in any manner to a policy of permitting branch banking." (Sec. 221.255, Banking Laws, 1935.)

Capital required.—No additional capital is required for the operation of offices with limited functions.

WYOMING

Branches unauthorized.—There are no provisions in the laws of Wyoming permitting or prohibiting the establishment of branches.