

Act Number	Session	Bill Number	Total Number of Committee Pages	Total Number of House Pages	Total Number of Senate Pages
PA 71-224		471	4	1	1
<u>Committee Pages:</u> <ul style="list-style-type: none"> • <i>Banking</i> 35 • <i>Banking</i> 22-24 				<u>House Pages:</u> <ul style="list-style-type: none"> • 2132(<i>Consent</i>) 	<u>Senate Pages:</u> <ul style="list-style-type: none"> • 1335

H-112

**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
1971**

**VOL. 14
PART 5
1968-2502**

Wednesday, May 5, 1971

13

Calendar 674, Senate Bill No. 1326 - An Act Concerning the Bond Required of a Person Appointed as Guardian of a Minor, File 504.

Calendar 676, Senate Bill No. 1594 - An Act Amending the Charter of the Hartford Hospital, File 373.

Calendar 677, Senate Bill No. 1713 - An Act Concerning Limitation of Action for Damages by Employees of Municipalities, File 503.

Calendar 678, Senate Bill No. 0471 - An Act Concerning Branch Offices of State Banks and Trust Companies, File 426.

I move the adoption of these items on the Consent Calendar.

MR. SPEAKER:

You heard the motion and the items enumerated by the gentleman of the 95th, is there objection on the part of any individual member at this time considering under Rule 48, the Consent Calendar on the items in the motion.

Gentleman from the 163rd.

REPRESENTATIVE CAMP:

Item on Page 2, 657, Senate Bill 0043, File No. 499, I object.

MR. SPEAKER:

Your objection is noted under Rule 48, so ordered, the matter is removed from Consent. It is not contained in the motion. I'll try your minds on the motion. All those in favor will indicate by saying "Aye". Those opposed. The bills are passed.

**S-78
CONNECTICUT
GENERAL ASSEMBLY**

SENATE

**PROCEEDINGS
1971**

**VOL. 14
PART 3
957-1456**

April 28, 1971

68.

Activities, Senate Bill 471, An Act concerning branch offices of State Banks and Trust Companies.

THE CHAIR:

Senator Buckley.

SENATOR BUCKLEY:

Mr. President, I move acceptance of the Joint Committee's Favorable Report, and passage of the Bill.

THE CHAIR:

Will you remark?

SENATOR BUCKLEY:

Mr. President, the Bill removes the requirement of one million dollars in assets for each branch of a bank and authorizes banks to branch, if they have a total asset, total assets, of one million dollars.

THE CHAIR:

Further remarks? Questions on passage of the Bill. Those in favor indicate by saying aye. Opposed? The ayes have it, the Bill is passed.

THE CLERK:

Calendar No. 313, File No. 431, Favorable Report, Joint Standing Committee on Banks and Regulated Activities, Senate Bill 534, An Act concerning the closing of a Bank Office in a College or University building when the educational institution is not in regular session.

THE CHAIR:

Senator Buckley.

SENATOR BUCKLEY:

Mr. President, certain branch banks are located in educational

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BANKS AND REGULATED ACTIVITIES

WEDNESDAY

FEBRUARY 24, 1971

BANKS AND TRUST COMPANIES.

SB-471 (Sen. Buckley) AN ACT CONCERNING BRANCH OFFICES OF
STATE BANKS AND TRUST COMPANIES.

Chairman Buckley: Those in favor?

David Nauss, President, Community Banking Company: A state-chartered commercial bank, home office in North Branford, Connecticut, offices in Guilford, Durham and East Haven. We, I would like to submit a statement that would ask that you favorably pass the bill as submitted. I would like to highlight some comments and I will not try to take too much of your time. The first I would like to bring to your attention is that we are a $14\frac{1}{2}$ million dollar bank. We have capital and surplus in excess of \$1,118,000 and, as a community bank, have over 500 shareholders. My concern today is with the Section 36-59 relative to the branches, which states that a bank as mine with in excess of \$1,000,000 cannot have any other branches than those contiguous to the home town, and that we may have only three branches. We feel that the state regulations, the state Banking Department, the Federal Deposit Insurance Corporation, the state statutes, that we are more than governed. And we feel that in no way will we jeopardize our capital, our stockholders', our depositors' deposits.

There are, to my knowledge, only three commercial state-chartered banks in the State of Connecticut that are affected by this rule. Two others will be speaking and I believe they, too, will speak favorably for the bill. If we were to convert at this point, pursuant to the charters, to raise the capital that is required by this statute to make our branches full power, we would have to raise \$1,600,000 - a capital of \$1,600,000 - or we would have to also obtain another \$200,000 and raise our capital to \$1,800,000 to establish another branch, which, as you can see, would be a 75% increase of our capital just to service the statute, not the applications or the committals of the State Banking Department or regulatory agencies who define the need and the adequacy of our requests for any branches that we might need.

We also bring your attention that, under Code No. 12 - United States Code No. 12 - Section 36 and Section 51, that there is no such statement in the national banking law. It makes reference only to the state banking code and I would like to submit that also with you today, so that you may also draw the same conclusion,

BANKS AND REGULATED ACTIVITIES

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that it is only under our state banking law that such a limitation is. The limitation that is now there - the limited power branch banking - makes it not only internally difficulties, but externally. We cannot meet adequately the giant commercial banks that have now moved into our area and we feel that you should be aware that we need a change in this bill to support our further operations. And we bring to you a record - and not only my bank, but the other two - that we have successful operations and we feel that the, any inquiry might have as to that would be answered by the state Banking Department.

Gentlemen, I urge you definitely to approve the bill and I thank you for your time. *

Chairman Buckley: Do you want to leave the statement with us, so that we can include it in the record? The statements will be received and set forth completely in the record. The excerpts from national banking law will be received as exhibits. (Aside: In other words, I don't want you to put all those national banking laws in the record.) Anybody else -- oh, I'm sorry, there's a gentleman sitting right here.

Roy Browning, Executive Vice President of South Windsor Bank and Trust Company: We are one of the other banks that has presently in operation a limited power branch. I fully identify myself with the statements made by Mr. Nauss and I feel that this is a bill that will help the smaller commercial banks in the state. It's gonna help us expand and I would like to emphasize that you're not gonna lose any control over us because we still have to apply to the state Banking Department for permission to open the branch. So I think under their control they'll, are well able to still supervise us and I fully concur with the statements. Thank you.

Chairman Buckley: I have not -- I'd like to ask you a question. If this provision concerning the minimum amount of capital is removed concerning branching, wouldn't it be necessary to substitute another provision concerning the discretion of the Banking Department should apply or is that set forth in this section or other sections of the law in adequate form now?

Mr. Browning: I'm, I believe that it's set forth in other sections of the law in adequate form now. It is still covered.

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Chairman Buckley: Thank you. 471? Seeing no-one else before us, I would ask then if anyone opposes 471? No opposition to 471? We will declare the hearing on 471 closed and proceed to SB-591, introduced by Sen. Ives and Rep. Collins, AN ACT CONCERNING DEBT POOLING.

SB-591 (Sen. Ives, Rep. Collins) AN ACT CONCERNING DEBT POOLING.

Chairman Buckley: Anybody speaking in favor of that bill? No-one appears to speak in favor. We will ask for those people who oppose this bill. This bill should have been grouped with the first two or three that nobody appeared on, I guess. O.K., the hearing is closed on SB-591.

We will now, we have already taken 902 unless somebody who did not speak at the time it was considered with 466 would like to make any additional comment. Hearing none, we will proceed to SB-938, introduced by Sen. Caldwell, Rep. Kennelly, Ratchford, Ajello, Alfano, Sen. Caldwell's name is repeated again, Papandrea, Mahoney, Prete, O'Neill, Hannon and Morris, AN ACT PROHIBITING LENDING INSTITUTIONS OF ALL KINDS FROM REDUCING THE AVAILABILITY OF FUNDS FOR HOME AND BUSINESS MORTGAGES.

SB-938 (Senators Caldwell and Alfano, Representatives Kennelly, Ratchford, Ajello, Papandrea, Mahoney, Prete, O'Neill, Hannon and Morris) AN ACT PROHIBITING LENDING INSTITUTIONS OF ALL KINDS FROM REDUCING THE AVAILABILITY OF FUNDS FOR HOME AND BUSINESS MORTGAGES.

Chairman Buckley: I think that was a Statement of Purpose bill and it seemed to be contradictory between the statement of purpose and the title, but anyway, does anybody choose to address himself to it?

Mr. James Carey (from the audience): Senator Buckley, I wasn't able to appear here earlier due to attending another hearing and I was wondering if you would open the hearing on, reopen 116?

Chairman Buckley: Since we're on this one, I'll do you the favor of, courtesy after we get this one out of the way.

Nobody appearing in favor of 938? Ask if anybody opposes 938. No-one - sir.

DAVID D. NAUSS, PRESIDENT

IMPRECISE LINE 24 1961

STATEMENT

My name is David Hauss. I am President of Community Banking Company. Community Banking Company is a State chartered commercial bank with its home office in the Town of North Branford and branch offices in the Towns of East Haven, Guilford and Durham. I am here to speak in favor of Senate Bill No. 471, a bill which, it reported on favorably by your Committee and passed by the General Assembly, will reduce the statutory minimum capital requirements for the establishment of branch banks. Community Banking Company was organized in 1961. As of December 31, 1970, the bank had total assets of \$14,570,427.00, total capital and surplus of \$1,118,285.00 and in excess of 500 shareholders.

My concern today is with Section 36-59 of the Connecticut General Statutes entitled "Branches" and the effect this Statute has on the operations of Community Banking Company and banks in a similar position. As this Statute is presently drafted, Community Banking Company, with capital and surplus in excess of \$1,000,000.00, may establish and operate not more than three limited power branch