

May 29, 1981

The Honorable Jack Davies
President of the Senate

Dear Senator Davies:

Returned to you herewith and unsigned please find Senate File 728 which relates to detached banking facilities. As the bill was passed in its final form, I feel compelled to veto it.

The detached banking facility laws of the State were designed to allow each bank to provide customer banking services at two separate locations up to 25 miles from the main banking office. It is essential that these structure laws not be changed so as to provide a competitive advantage for any single bank in the State.

Senate File 728 would, in my view, provide such a competitive advantage for one bank, enabling it to establish a detached facility up to 35 miles from its main office. While the intent of the bill was to provide banking services to a certain community, the bill as enacted does not address a specific location and essentially allows the bank in question to expand to any location within 35 miles. The fact that there are four other banks located within 35 miles of the location in question would result in discrimination against these banks if this bill is allowed to become law.

This bill would establish a dangerous precedent of designing structure laws that provide a competitive advantage for one bank. Bank structure laws should be so designed as to benefit the entire State and should apply to all communities and banks, not just one bank. For this reason, I must reject this special franchise and veto this legislation.

Sincerely yours,

Albert H. Quie, Governor

Pursuant to Joint Rule 3.02, S.F. No. 728 was laid on the table.