

Sec. 21. Water supply - eminent domain. Except as in this chapter otherwise provided, all provisions relating to eminent domain conferring upon railway companies the right to condemn land for reservoirs and to enable them to reach and acquire sources of water supply and access thereto, shall apply to inter-urban railway companies for reaching and acquiring water supplies for their power plants.

Approved April 1, 1924.

## CHAPTER 139

### CORPORATE STOCK

H. F. 202

AN ACT to amend, revise, and codify sections fifty-three hundred seventy-seven (5377) and fifty-three hundred seventy-eight (5378) of the compiled code of Iowa, relating to corporate shares of stock.

Be It Enacted by the General Assembly of the State of Iowa:

That sections fifty-three hundred seventy-seven (5377) and fifty-three hundred seventy-eight (5378) of the compiled Code of Iowa are amended, revised, and codified to read as follows:

Section 1. Amount paid - certificate void - penalty violation. No certificate or shares of stock shall be issued, delivered or transferred by any corporation, officer or agent thereof, or by the owner of such certificate or shares, without having indorsed on the face thereof what amount or portion of the par value has been paid to the corporation issuing the same, and whether such payment has been in money or property. Any certificate of stock issued, delivered or transferred in violation of this section when the corporation has not received payment therefor at par in money or property at a valuation approved by the executive council, shall be void, and the issuance, delivery or transfer of each certificate shall be considered a separate transaction. Any person violating the provisions of this section, or knowingly making a false statement on such certificate, shall be fined not less than one hundred dollars nor more than five hundred dollars, and shall stand committed to the county jail until such fine and costs are paid.

Sec. 2. Certain corporations excepted. The preceding section shall not apply to railway or quasi-public corporations organized before the first day of October, eighteen hundred ninety-seven (1897).

Sec. 3. Stock payable in cash. No corporation organized under the laws of this state, except building and loan associations, shall issue any certificate of a share of capital stock, or any substitute therefor, until the corporation has received the par value thereof.

Sec. 4. Payment in property other than cash. If it is proposed to pay for said capital stock in property or in any other thing than money, the corporation proposing the same must, before issuing capital stock in any form, apply to the executive council of the state for leave so to do. Such application shall state the amount of capital stock proposed to be issued for a consideration other than money, and set forth specifically the property or other thing to be received in payment for such stock.

Sec. 5. Executive council to fix amount. The executive council shall make investigation, under such rules as it may prescribe, and ascertain the real value of the property or other thing which the corporation is to receive for the stock. It shall enter its finding, fixing the value at which the corporation may receive the

given in payment for capital stock; and no corporation shall issue capital stock for the said property or thing in a greater amount than the value so fixed.

Sec. 6. Elements considered in fixing amount. For the purpose of encouraging the construction of new steam or electric railways, and manufacturing industries within this state, the labor performed in effecting the organization and promotion of such corporation, and the reasonable discount allowed or reasonable commission paid in negotiating and effecting the sale of bonds for the construction and equipment of such railroad or manufacturing plant, shall be taken into consideration by said council as elements of value in fixing the amount of capital stock that may be issued.

Approved February 15, 1924.

## CHAPTER 140

### INSURANCE DEPARTMENT

S. F. 205

AN ACT to amend, revise, and codify section five thousand four hundred sixty-one (5461) of the compiled code of Iowa, and sections five thousand four hundred sixty (5460) and five thousand four hundred sixty-two (5462) of the supplement to said code, relating to the insurance department.

Be It Enacted by the General Assembly of the State of Iowa

That section five thousand four hundred sixty-one (5461) of the compiled Code of Iowa, and sections five thousand four hundred sixty (5460) and five thousand four hundred sixty-two (5462) of the supplement to said Code are amended, revised, and codified to read as follows:

Section 1. Department of insurance. The insurance department of Iowa, as heretofore created and established, with the commissioner of insurance as head thereof, shall be located at the seat of government.

Sec. 2. Appointment, term, and removal. The governor shall, within sixty (60) days following the organization of the regular session of the general assembly in nineteen hundred twenty-seven (1927) and each four (4) years thereafter appoint, with the approval of two-thirds ( $\frac{2}{3}$ ) of the members of the senate in executive session, a commissioner of insurance, who shall be selected solely with regard to his qualifications and fitness to discharge the duties of this position, devote his entire time to such duties, and serve for four (4) years from July first of the year of appointment.

Sec. 3. Confirmation. No nomination shall be considered by the senate until the same has been referred to a committee of five (5), not more than three (3) of whom shall belong to the same political party. Said committee shall be appointed by the president of the senate, without motion, and shall report to the senate in executive session. The consideration of nominations by the senate shall not be had on the same legislative day that nominations are so referred.

Sec. 4. Vacancies. Vacancies that may occur while the general assembly is not in session shall be filled by appointment by the governor, which appointment shall expire at the end of thirty (30) days from the time the general assembly next convenes. Prior to the expiration of said thirty (30) days the governor shall transmit to the senate for its confirmation an appointment for the unexpired portion of the regular term. Vacancies occurring during a session of the general assembly shall be filled as regular appointments are made and before the