

CHAPTER 97

STATE SINKING FUND FOR PUBLIC DEPOSITS. RULES OF CONSTRUCTION

H. F. 257

AN ACT to amend sections seventy-four hundred twenty-a nine (7420-a9), seventy-four hundred twenty-b one (7420-b1) and seventy-four hundred twenty-a eighteen (7420-a18), Code, 1931, relating to proof, certification, amount and manner of filing claims against the state sinking fund for public deposits where a bank or trust company has reorganized and trust certificates have issued; and also relating to payment, interest, presentation of objections regarding such claims, distribution by trustees, rights of treasurer of state and rights of public depositors; and providing rules for construction.

Be it enacted by the General Assembly of the State of Iowa:

1 SECTION 1. That section seventy-four hundred twenty-a nine
2 (7420-a9), Code, 1931, is hereby amended by inserting the follow-
3 ing after the word "bankruptcy" in line 4 thereof:

4 "or has been heretofore or is hereafter reorganized, either by
5 reopening, sale to another bank of all or part of its assets with
6 assumption of all or part of deposit liability, consolidation with an-
7 other bank, purchase of part or all of assets of another bank, mer-
8 ger with another bank or banks, or in any manner authorized by
9 chapters 156, 159 and 160 of the acts of the Forty-fifth General
10 assembly, as amended, or by the national bank conservation act,
11 and especially section 207 of title II thereof, and trust certificates
12 have issued pursuant to depositors' agreements; or whenever any
13 bank that has assumed all or part of the deposit liability of a de-
14 pository bank, has heretofore or is hereafter reorganized in any
15 manner authorized by chapters 156, 159 and 160 of the acts of the
16 Forty-fifth General Assembly, as amended, or by the national bank
17 conservation act and especially section 207 of title II thereof, and
18 trust certificates have issued pursuant to depositors' agreements."

1 SEC. 2. That section seventy-four hundred twenty-a nine (7420-
2 a9), Code, 1931, is hereby amended by inserting the following after
3 the word "court" in line 11 thereof:

4 "or by the treasurer of state if the matter is not pending in
5 court."

1 SEC. 3. That section seventy-four hundred twenty-b one (7420-
2 b1), Code, 1931, is hereby amended by striking from lines 1 to 4,
3 inclusive, the following words:

4 "Immediately upon the closing of a bank, the treasurer having
5 public funds on deposit therein under this chapter and amendments
6 thereto, shall" and insert in lieu thereof, the following:

7 "Whenever or wherever any depository bank or any bank which
8 has assumed the whole or any part of the deposit liability of a
9 depository bank, has been heretofore or is hereafter closed and
10 placed in the hands of a receiver or trustee in bankruptcy, or has
11 been heretofore or is hereafter reorganized, either by reopening,
12 sale to another bank of a part or all of its assets with the assump-
13 tion of all or part of deposit liability, consolidation with another
14 bank, purchase of part or all of the assets of another bank, merger
15 with another bank or banks, or in any manner authorized by chap-

16 ters 156, 159 and 160 of the acts of the Forty-fifth General Assem-
17 bly, as amended, or the national bank conservation act and espe-
18 cially section 207 of title II thereof, and trust certificates have
19 issued pursuant to provisions of depositors' agreements, the state of
20 Iowa or any county, city, town, school district or township, having
21 public funds on deposit therein, may by its governing board at such
22 board's discretion, by written resolution or order, entered of rec-
23 ord in the minutes of such board, or executive council, as the case
24 may be, order and direct its treasurer or other officer to file with
25 and."

1 SEC. 4. That section seventy-four hundred twenty-b one (7420-
2 b1), Code, 1931, is hereby amended by inserting after the period
3 following the word "him" in line 8 thereof, the following:

4 "Whenever trust certificates have issued as herein provided, the
5 statement of the amount of deposit shall include only the balance
6 due on the trust certificate unless the bank or trust company is
7 placed in the hands of a receiver or trustee in bankruptcy. Unless
8 either the bank liable therefor, or claimant has paid all interest due
9 the state sinking fund for public deposits to the date of its reorgani-
10 zation, both on that part of claimant's deposit left in the bank and
11 that part represented by the trust certificate, the treasurer of state
12 may refuse to file the claim of such claimant."

1 SEC. 5. That section seventy-four hundred twenty-b one (7420-
2 b1), Code, 1931, is hereby amended by inserting after the period
3 following the word "provided" in line 28 thereof, the following:

4 "In the event a receiver or trustee in bankruptcy has not been
5 appointed, the claimant may present the objections, if made within
6 the manner and time provided, to any court of competent jurisdic-
7 tion by any appropriate action."

1 SEC. 6. That section seventy-four hundred twenty-a eighteen
2 (7420-a18), Code, 1931, is hereby amended by striking from lines
3 11 to 15, inclusive, the following words:

4 "ratably with the other depositors and the sum received from
5 such distribution shall be paid by the receiver to the treasurer of
6 state and deposited in said sinking fund" and insert in lieu thereof,
7 the following:

8 "or trust fund ratably with the other depositors and the sum re-
9 ceived from such distribution shall be paid by the receiver or trus-
10 tees to the treasurer of state and deposited in said sinking fund.
11 Until the depositor has been paid in full from the sinking fund, it
12 may share in the distribution of the assets of the bank or trust
13 fund."

1 SEC. 7. That section seventy-four hundred twenty-a eighteen
2 (7420-a18), Code, 1931, is hereby amended by inserting after the
3 word "funds" in line 10 thereof, the following:

4 "or segregated trust fund."

1 SEC. 8. Insofar as the provisions of this act may conflict with
2 other acts or parts thereof, the provisions of this act shall control.

1 SEC. 9. Should any section of this act, or part thereof, be held
2 unconstitutional or invalid, such decision shall affect only the spe-
3 cific provisions which may be held invalid or unconstitutional and
4 shall not affect the validity of the remaining portions of this act.

1 SEC. 10. This act, being adopted to meet an emergency, and be-
2 ing deemed of immediate importance, shall be in full force and effect
3 from and after its publication in The Wheatland Gazette, a news-
4 paper published at Wheatland, Iowa, and the Radcliffe Signal, a
5 newspaper published at Radcliffe, Iowa.

House File No. 257. Approved March 9, 1934.

I hereby certify that the foregoing act was published in The Wheatland Gazette,
March 14, 1934, and Radcliffe Signal, March 15, 1934.

MRS. ALEX MILLER, *Secretary of State.*

CHAPTER 98

LEVEE AND DRAINAGE DISTRICTS. APPOINTMENT OF CONSERVATOR

S. F. 233

AN ACT to provide for the appointment of a conservator for a drainage district, levee district, drainage and levee district, drainage and levee district with pumping stations in default to holders of bonds issued by such districts in default; to provide for the issuance of conservator's bonds by such districts to the bondholders; to provide for adequate proceedings in the district court, and to provide for notices and writs incident to the operation of this act; and defining the meaning of the term "drainage district" for the purpose of this act.

Be it enacted by the General Assembly of the State of Iowa:

1 SECTION 1. When drainage district bonds have been issued in
2 anticipation of the collection of drainage district assessments levied
3 on real estate within such drainage district are in default, either
4 for failure to pay principal installments or accrued interest thereon,
5 and funds are not on hand within thirty days after such default, ten
6 owners of real estate in such district or the owners of not less than
7 ten (10) per cent in amount of the outstanding drainage bonds of
8 such district may make application to the district court of the county
9 wherein said drainage district is located, asking for an extension of
10 time of payment, and a re-amortization of the assessments on the
11 real estate within such drainage district, which was in default, and
12 a new schedule of payments of the bonds and other indebtedness,
13 and the issuance of new bonds as provided by this act.

1 SEC. 2. Ten (10) owners of real estate in such district, or the
2 owners of not less than ten (10) per cent in amount of the outstand-
3 ing drainage bonds of such drainage district, may institute pro-
4 ceedings in the district court of the county issuing such bonds
5 wherein the drainage district is located, by filing a petition which
6 shall set forth the names and addresses of the ten (10) petitioning
7 real estate owners or the names and addresses of the petitioning
8 owners of ten (10) per cent in amount of the drainage bonds of
9 said district, that said bonds are in default as defined in section one,