

55 approval in the same manner as now provided by law for liquidation  
56 of bank receiverships."

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

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

1 SEC. 4. This act being deemed of immediate importance, shall be  
2 in full force and effect from and after its publication in the Ocheyedan  
3 Arrow, Ocheyedan, Iowa and the Sibley Gazette Tribune, Sibley,  
4 Iowa, as provided by law.

House File 484. Approved May 1, 1937.

I hereby certify that the foregoing act was published in the Sibley Gazette Tribune,  
May 27, 1937, and the Ocheyedan Arrow, May 27, 1937.

ROBERT E. O'BRIAN, *Secretary of State.*

## CHAPTER 219

### BANKS AND TRUST COMPANIES

H. F. 487

AN ACT to repeal sections ninety-two hundred forty-six (9246) to ninety-two hundred  
fifty-four (9254), inclusive, of the code, 1935, relating to assessment liabilities of  
stockholders in banks and specifying when such repeal shall become effective.

WHEREAS, non-assessable stock in a reorganized state incorporated bank-  
ing institution may be issued under the authority of the superintendent of  
banking with the approval of the executive council (section ninety-two  
hundred eighty-three-e three (9283-e3)), and

WHEREAS, stock of new state incorporated banking institutions there-  
after organized and stock of other banks thereafter transferred and pre-  
ferred stock thereafter issued by any banks were all made non-assessable  
by section ninety-two hundred eighty-three-f eleven (9283-f11) to and  
inclusive of section ninety-two hundred eighty-three-f sixteen (9283-f16),  
code, 1935, and acts of the 45th General Assembly, Extraordinary Session  
and approved November 23, 1933, and

WHEREAS, congress by the "Banking Act of 1933" effective June 16,  
1933, provided that "additional liability imposed upon shareholders in  
national banking associations shall not apply with respect to shares issued  
after the date of the enactment" and further provided by the "Banking  
Act of 1935" effective August 23, 1935, that "such additional liability shall  
cease on July 1, 1937 with respect to shares issued prior to June 17, 1933  
by any association which shall be transacting the business of banking on  
July 1, 1937" and

WHEREAS, it is said of the congressional bill that making it "effective  
far enough in the future to permit depositors and others to know of it and  
change their relationship if they wished is sound and not violative of any  
contracts", and

WHEREAS, our own state supreme court in a decision dated January 9, 1934 (Andrew, Superintendent of Banking vs. American Savings Bank et al.) stated:

"Three major economic upheavals have overtaken the state. . . . Each succeeding experience has apparently led the legislature to have less faith in the stockholder's liability as a remedy for a situation in which many borrow who do not repay because economic attrition has pursued every form of wealth, no matter how artfully it may have been guarded or concealed, until a substantial proportion of every item of it has been destroyed:" and

WHEREAS, article VIII, section 9 of the state constitution provides that every stockholder in a banking corporation shall be individually liable to the creditors for an amount equal to the stock owned by him but that that provision of the constitution has no application to present banking corporations as the courts have held that that provision of the constitution applied only to banks of issue and no banks of issue are now in existence. Allen vs. Clayton, 63 Ia., 11; Williams vs. Lewis Investment Co., 110 Ia., 635; Pugh vs. Polk County, 263 N. W. 315, (Ia. Nov. 1935); Timmons vs. Security Savings Bank, 264 N. W. 708, (Ia. Jan. 1936); and

WHEREAS, it is now apparent that a grossly unfair discrimination now exists as against old common stock issued by our state incorporated banking institutions prior to December 1, 1933 when the aforementioned acts of the Iowa General Assembly became effective as compared with (1) common stock which has since been issued by new banking institutions or (2) stock which has been transferred or (3) preferred stock that has been issued by state banking institutions after December 1, 1933 and all now non-assessable and (4) even the stock (both common and preferred) of national banks foregoingly referred to and whereas the following bill will remove that inequitable and unfair discrimination now existing against the common stock issued prior to December 1st, 1933, and place all bank stock of our state banking institutions upon a parity:

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

1 SECTION 1. That effective July 4, 1937 sections ninety-two hun-  
 2 dred forty-six (9246) to section ninety-two hundred fifty-four (9254)  
 3 inclusive of the code, 1935 are hereby repealed and any assessment  
 4 liability referred to in said sections shall on and after that date cease  
 5 with respect to any shares issued prior to December 1, 1933, and/or  
 6 as to any shares issued at any time subsequent to said date in lieu of  
 7 shares issued prior to said date, by any state incorporated banking  
 8 institution and which shall be transacting the business of banking  
 9 on July 4, 1937, providing nothing herein contained shall affect any  
 10 claim now existing against said banking institution; providing further  
 11 that all claims arising under or by reason of said sections shall become  
 12 fully barred from and after January 1, 1938.

House File 487. Approved May 1, 1937.