

11 tion shall not purchase any such contract for more than seventy-five per  
 12 cent (75%) of the value of the real estate therein described appraised  
 13 as required by section five hundred thirty-four point thirty-two  
 14 (534.32). No association shall hereafter invest more than fifteen  
 15 per cent (15%) of its assets in such vendors' contracts authorized  
 16 by this subsection.

1 SEC. 2. Section five hundred thirty-four point thirty-nine (534.39),  
 2 Code 1946, is amended by inserting after the words "any borrower"  
 3 in line one (1) the words "or vendor contract purchaser".

Approved May 5, 1949.

## CHAPTER 225

### DEMAND ITEMS TO BANKS

S. F. 86

AN ACT relating to the collection, payment and dishonor of demand items by banks and the revocation of credit for, and payment of, such items.

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

1 SECTION 1. In any case in which a bank receives, other than for  
 2 immediate payment over the counter, a demand item payable by, at or  
 3 through such bank and gives credit therefor before midnight of the  
 4 day of receipt, such bank may have until midnight of its next business  
 5 day after receipt within which to dishonor or refuse payment of such  
 6 item. Any credit so given, together with all related entries on the books  
 7 of the receiving bank, may be revoked by returning the item, or if  
 8 the item is held for protest or at the time is lost or is not in the pos-  
 9 session of the bank, by giving written notice of dishonor, nonpayment,  
 10 or revocation; provided that such item or notice is dispatched in the  
 11 mails or by other expeditious means not later than midnight of the  
 12 bank's next business day after the item was received. For the purpose  
 13 of determining when notice of dishonor must be given or protest made  
 14 under the law relative to negotiable instruments, an item duly pre-  
 15 sented credit for which is revoked as authorized by this act, shall be  
 16 deemed dishonored on the day the item or notice is dispatched. A  
 17 bank, revoking credit pursuant to the authority of this act, is entitled  
 18 to refund of, or credit for, the amount of the item.

1 SEC. 2. For the purposes of this act: (a) An item received by a  
 2 bank on a day other than its business day, or received on a business  
 3 day after its regular business hours or during afternoon or evening  
 4 periods when it has reopened or remained open for limited functions,  
 5 shall be deemed to have been received at the opening of its next busi-  
 6 ness day; (b) The term "credit" includes payment, remittance, advice  
 7 of credit, or authorization to charge and, in cases where the item is re-  
 8 ceived for deposit as well as for payment, also includes the making of  
 9 appropriate entries to the receiving bank's general ledger without  
 10 regard to whether the item is posted to individual customers' ledgers.

1 SEC. 3. This Act being deemed of immediate importance shall be in  
 2 full force and effect on its publication in the Northwood Anchor &  
 3 Index, a newspaper published at Northwood, Iowa, and in The Ameri-  
 4 can Citizen, a newspaper published at Des Moines, Iowa.

Approved February 8, 1949.

I hereby certify that the foregoing act was published in the Northwood Anchor & Index, February 17, 1949, and in The American Citizen, February 18, 1949.

MELVIN D. SYNHORST, *Secretary of State.*

## CHAPTER 226

### CIGARETTE SALES ACT

S. F. 199

AN ACT to prevent unfair trade practices in the sale of cigarettes; to prohibit sales of cigarettes below cost; to protect and stabilize the collection of taxes on the sale of cigarettes and of revenues from the licensing of persons engaged in the sale of cigarettes; to confer powers and duties on the Iowa state tax commission and on persons, as herein defined, engaged in the sale of cigarettes at wholesale or retail; and to provide remedies and imposing penalties for violations thereof.

WHEREAS, unfair, dishonest and fraudulent business practices exist in transactions involving the sale of, or offer to sell, cigarettes in the wholesale and retail trades in this State which are demoralizing and disorganizing the said trades, and

WHEREAS, offering for sale, or sale of cigarettes below cost in the wholesale and retail trade with intent to injure competitors, destroy or lessen competition, is deemed an unfair and deceptive business practice, and

WHEREAS, such practices affect collection of taxes and license fees imposed on distributors, wholesalers, retailers and persons engaged in the sale of cigarettes, and

WHEREAS, it is hereby declared to be the policy of this State and the purpose of this Act to protect the public by prohibiting such sales.

NOW, THEREFORE,

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

1 SECTION 1. Short title. This act shall be known and cited as the  
 2 "Iowa Unfair Cigarette Sales Act".

1 SEC. 2. Definitions. When used in any part of this act, the fol-  
 2 lowing words, terms and phrases shall have the meaning ascribed to  
 3 them except where the context clearly indicates a different meaning:

4 a. "Cigarettes" shall mean and include any roll for smoking, made  
 5 wholly or in part of tobacco, irrespective of size or shape and whether  
 6 or not such tobacco is flavored, adulterated or mixed with any other  
 7 ingredient, the wrapper or cover of which is made of paper or any  
 8 other substance or material except tobacco.

9 b. "Person" shall mean and include any individual, firm, associa-  
 10 tion, company, partnership, corporation, joint stock company, club  
 11 agency, syndicate, or anyone engaged in the sale of cigarettes.