

## CHAPTER 262

## BANKING DEPARTMENT REPORTS

H. F. 69

AN ACT to repeal section five hundred thirty-two point twenty (532.20), Code 1958, relating to trust reports to the superintendent of banking.

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

- 1 SECTION 1. Section five hundred thirty-two point twenty (532.20),
- 2 Code 1958, is hereby repealed.

Approved April 10, 1961.

## CHAPTER 263

## COMMON TRUST FUNDS

S. F. 292

AN ACT relating to common trust funds and to make uniform the law with reference thereto.

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

1 SECTION 1. Establishment of common trust funds. Any bank  
 2 or trust company qualified to act as fiduciary in this state may estab-  
 3 lish common trust funds for the purpose of furnishing investments to  
 4 itself as fiduciary, or to itself and others, as co-fiduciaries; and may,  
 5 as such fiduciary or co-fiduciary, invest funds which it lawfully holds  
 6 for investment in interests in such common trust funds, if such in-  
 7 vestment is not prohibited by the instrument, judgment, decree, or  
 8 order creating such fiduciary relationship, and if, in the case of co-  
 9 fiduciaries, the bank or trust company procures the consent of its co-  
 10 fiduciaries to such investment. If the instrument creating the fiduciary  
 11 relationship gives to the bank or trust company the exclusive right to  
 12 select investments, the consent of the co-fiduciary shall not be required.

1 SEC. 2. Court accountings. Unless ordered by a court of com-  
 2 petent jurisdiction the bank or trust company operating such common  
 3 trust funds is not required to render a court accounting with regard  
 4 to such funds; but it may, by application to the district court, secure  
 5 approval of such an accounting on such conditions as the court may  
 6 establish.

7 When an accounting of a common trust fund is presented to a  
 8 court for approval, the court shall assign a time and place for hearing  
 9 and order notice thereof by: (1) publication once each week for three  
 10 (3) consecutive weeks in a newspaper of general circulation, pub-  
 11 lished in the county in which the bank or trust company operating  
 12 the common trust fund is located, the first publication to be not less  
 13 than twenty (20) days prior to the date of hearing, and (2) sending  
 14 by ordinary mail not less than fourteen (14) days prior to the date  
 15 of hearing a copy of the notice prescribed to all beneficiaries of the  
 16 trust participating in the common trust fund whose names are known  
 17 to the bank or trust company from the records kept by it in the regular  
 18 course of business in the administration of said trusts, directed to

19 them at the addresses shown by such records, and (3) such further  
20 notice if any as the court may order.

1 **SEC. 3. Definitions.** 1. "Fiduciary" means acting in any of the  
2 following capacities, namely: testamentary trustee, appointed by any  
3 court, trustee under any written agreement, declaration or instrument  
4 of trust, executor, administrator, or guardian.

5 2. "Common trust fund" means a fund maintained by a bank or  
6 trust company exclusively for the collective investment and reinvest-  
7 ment of moneys contributed thereto by the bank or trust company in  
8 its capacity as a fiduciary or co-fiduciary.

1 **SEC. 4. Uniformity of interpretation.** This Act shall be so inter-  
2 preted and construed as to effectuate its general purpose to make  
3 uniform the law of those states which enact it.

1 **SEC. 5. Short title.** This Act may be cited as the Iowa uniform  
2 common trust fund act.

1 **SEC. 6. Severability.** If any provision of this Act or the applica-  
2 tion thereof to any person or circumstances is held invalid, such  
3 invalidity shall not affect the other provisions or applications of the  
4 Act which can be given effect without the invalid provision or appli-  
5 cation, and to this end the provisions of this Act are declared to be  
6 severable.

1 **SEC. 7. Repeal.** All acts or parts of acts which are inconsistent  
2 with the provisions of this Act are hereby repealed.

1 **SEC. 8.** This Act shall apply to fiduciary relationships in existence  
2 on the effective date of this Act or thereafter established.

Approved April 5, 1961.

## CHAPTER 264

### MONEY ORDERS OR CHECKS

H. F. 536

AN ACT relating to the sale of checks, money orders, and other written instruments  
for the transmission or payment of money.

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

1 **SECTION 1.** No person shall engage in the business of selling  
2 written instruments for the transmission or payment of money,  
3 whether in the form of checks, drafts, money orders, travelers checks  
4 or otherwise, unless such person's net worth is at all times at least  
5 twenty-five thousand dollars (\$25,000), as shown by financial state-  
6 ments satisfactory to the superintendent of banking and such person  
7 has deposited and at all times keeps on deposit with the superintendent  
8 of banking fifty thousand dollars (\$50,000) in cash or securities  
9 satisfactory to the superintendent of banking. However, the super-  
10 intendent of banking may at his option accept a surety bond in the  
11 sum of fifty thousand dollars (\$50,000) in the form satisfactory to  
12 him and issued by a surety company acceptable to him in lieu of such