

CHAPTER 1165
SALE OF TRAVELERS CHECKS
S. F. 2189

AN ACT amending chapter five hundred thirty-three B (533B) of the Code, relating to the sale of traveler's checks and similar instruments.

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

Section 1. Section five hundred thirty-three B point one (533B.1), Code 1979, is amended to read as follows:

533B.1 PERMISSION FROM SUPERINTENDENT OF BANKING. ~~No~~ A person shall not engage in the business of selling written instruments for the transmission or payment of money, whether in the form of checks, drafts, money orders, travelers checks or otherwise, ~~unless such~~ the person has been issued a license by the superintendent of banking. A person is not eligible to receive or retain a license under this chapter unless the person's net worth is at all times at least twenty-five thousand dollars as shown by financial statements satisfactory to the superintendent of banking and such unless the person has deposited and at all times keeps on deposit with the superintendent of banking fifty-thousand-dollars in the form of cash or securities satisfactory to the superintendent of banking or any combination of these, the sum of fifty thousand dollars plus an additional one thousand dollars for each office or agent from or through which the person engages in business under this chapter, provided that the maximum deposit required of a person under this section shall not exceed two hundred thousand dollars. However, the superintendent of banking may at his or her option accept a surety bond ~~in the sum of fifty thousand dollars~~ of equivalent value in the form satisfactory to ~~him~~ the superintendent and issued by a surety company acceptable to ~~him~~ the superintendent in lieu of ~~such~~ the required deposit. ~~Such~~ The deposit or bond shall be for the protection of purchasers or holders of instruments sold by ~~such person~~ the licensee, and the superintendent or any aggrieved party may enforce claims on such instruments against ~~such~~ the deposit or bond. ~~Simultaneously with the making of such deposit or delivery of such bond and annually thereafter each such person shall pay to the superintendent of banking an annual fee of one hundred dollars.~~

The annual fee for a license issued under this chapter shall be the sum of one hundred fifty dollars plus an additional five dollars for each location in this state at which business is conducted through agents or employees of the licensee. The annual license fee shall be paid to the superintendent of banking at the time the person submits an application for a license or an application for annual renewal of the license. If the licensee gives notice to the superintendent of the opening of a new business location, as required under section five hundred thirty-three B point two (533B.2) of the Code, the licensee shall submit payment of the required additional fee at the time of giving notice.

Sec. 2. Section five hundred thirty-three B point two (533B.2), Code 1979, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Each licensee shall give notice to the superintendent of banking of the business name and business location of each office, agent or other representative through which instruments are sold under this chapter. This notice shall be given at the time the licensee submits an application for a license or license renewal. Any change in locations, agents or other representatives shall be reported on a quarterly basis.

Sec. 3. Section five hundred thirty-three B point four (533B.4), Code 1979, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. As used in this chapter "superintendent" or "superintendent of banking" means either the superintendent of banking or a person designated by the superintendent of banking.

Sec. 4. Chapter five hundred thirty-three B (533B), Code 1979, is amended by adding the following new section:

NEW SECTION. EXAMINATION. The superintendent may investigate at any time the business of a person licensed under this chapter, and the superintendent may examine the books, records, accounts and files pertaining to business conducted under the authority of this chapter. The superintendent may require annual reports of licensees under this chapter, and may require such additional reports from a licensee as the public interest may require. The superintendent may accept an opinion audit conducted by a certified public accountant in lieu of an investigation or examination performed by the department of banking.

If an investigation or examination is performed by the department of banking under this section the licensee shall pay to the superintendent a fee which is equal to the cost of the investigation or examination, as determined by the superintendent according to a cost schedule promulgated by administrative rule. A licensee shall pay the fee not later than thirty days following receipt of notice of the fee. A fee shall not be charged for the submission of an annual report required of all licensees.

Sec. 5. Chapter five hundred thirty-three B (533B), Code 1979, is amended by adding the following new section:

NEW SECTION. TERMINATION OF LICENSE.

1. The superintendent may suspend or revoke a license issued under this chapter after notice and opportunity for hearing if the superintendent finds any of the following conditions to exist:

- a. The licensee has failed to pay fees when due.
- b. The licensee has failed to maintain the deposit or bond required under this chapter.
- c. The licensee has failed to comply with an order, decision or finding of the superintendent made under this chapter.
- d. The licensee has violated a provision of this Act, and the violation is detrimental to the public interest.
- e. A fact or condition exists which, had it existed at the time of application for a license, would have disqualified the person from licensure under this chapter.

2. A licensee is entitled to ten day's*advance notice of a hearing to be held for the purpose of considering the suspension or revocation of the license, except that the superintendent may immediately suspend a license pending a hearing if the superintendent has reasonable grounds to believe that the public interest would be substantially harmed if the licensee were to continue doing business pending the conclusion of the hearing.

3. A licensee under this chapter may surrender the license by delivering a written notice of surrender to the superintendent.

4. A voluntary or involuntary termination of a license under this section shall not affect civil or criminal liability of the licensee for acts or omissions occurring prior to termination of the license, and shall not exonerate the deposit or bond from any claims arising prior to the effective date of termination. Termination of a license does not entitle the licensee to any refund of fees. The superintendent may withhold release of the deposit of a licensee following termination of a license for a reasonable period of time as necessary to assure satisfaction of outstanding claims.

Sec. 6. This Act takes effect as provided by law. However, with respect to persons who are licensed under this chapter on the effective date of this Act the license fee, deposit, bonding and reporting provisions of this Act are not enforceable until the expiration of sixty days after the effective date of this Act or until the existing licensee seeks to renew a license under chapter five hundred thirty-three B (533B) of the Code, whichever first occurs.

Approved May 13, 1980

CHAPTER 1166

SAVINGS AND LOAN WITHDRAWALS

S. F. 2121

AN ACT relating to the powers of savings and loan associations.

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

Section 1. Section five hundred thirty-four point eleven (534.11), Code 1979, is amended by adding the following new subsection:

NEW SUBSECTION. NEGOTIABLE ORDER OF WITHDRAWAL ACCOUNTS. Associations may offer accounts under which account owners may order or authorize the withdrawal of a specified amount of the account by means of cash or a negotiable or nonnegotiable check or similar instrument payable to the account owner or to third parties or their order for the benefit of the account owner. However, this authority is available only for periods of time when federally chartered savings and loan associations operating in this state are granted similar authority, and the state authorization is subject

*According to enrolled Act