

CHAPTER 1183  
COMMON TRUST FUNDS OF BANKS  
S. F. 2299

AN ACT permitting the establishment and use of common trust funds by banks having common ownership.

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

Section 1. Section six hundred thirty-three point one hundred twenty-six (633.126), subsection one (1), Code 1979, is amended to read as follows:

1. "Common trust fund" means a fund maintained by a bank or trust company exclusively for the collective investment and reinvestment of moneys contributed thereto by the that bank or trust company, or by another bank or trust company at least eighty percent of the voting stock of which is owned or controlled by a bank holding company which owns or controls at least eighty percent of the voting stock of the bank or trust company maintaining the common trust fund, in its capacity as a fiduciary or cofiduciary.

Sec. 2. Section six hundred thirty-three point one hundred twenty-seven (633.127), Code 1979, is amended to read as follows:

633.127 ESTABLISHMENT OF COMMON TRUST FUNDS. Any bank or trust company qualified to act as fiduciary in this state may establish common trust funds, or may utilize one or more common trust funds previously established by it, for the purpose of furnishing investments to itself as fiduciary, or to itself and others, as cofiduciaries, or to another bank or trust company as fiduciary or cofiduciary; and may, as ~~such~~ a fiduciary or cofiduciary, invest funds which it lawfully holds for investment in interests in ~~such~~ common trust funds maintained by it or by another bank or trust company at least eighty percent of the voting stock of which is owned or controlled by a bank holding company which owns or controls at least eighty percent of the common stock of the bank or trust company investing such funds, if such investment is not prohibited by the instrument, judgment, decree, or order creating such fiduciary relationship, and if, in the case of cofiduciaries, the bank or trust company procures the consent of its cofiduciaries to such investment. If the instrument creating the fiduciary relationship gives to the bank or trust company the exclusive right to select investments, the consent of the cofiduciary shall not be required.

Approved April 21, 1980