

**CHAPTER 1167**  
**TRANSFERS OF FIDUCIARY BANK ACCOUNTS**  
*S.F. 2233*

**AN ACT** providing for the transfer of fiduciary accounts among affiliates and between independent banks.

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

Section 1. NEW SECTION. 524.1007 SUCCESSION OF FIDUCIARY ACCOUNTS TO AN AFFILIATE.

1. A state bank authorized to act in a fiduciary capacity may enter into an agreement for the succession of fiduciary accounts with any of its affiliates which are authorized to act in a fiduciary capacity. In the agreement the succeeding affiliate may agree to succeed the relinquishing affiliate as a fiduciary to those fiduciary accounts which are designated in the agreement. The designation of accounts may be by general class or description and may include fiduciary accounts subject and not subject to court administration and fiduciary accounts to arise in the future under wills, trusts, court orders, or other documents under which the relinquishing affiliate is named as a fiduciary or is named to become a fiduciary upon the death of a testator or settlor or upon the happening of any other subsequent event. The agreement shall provide that the succeeding affiliate maintain one or more employees or agents at the office of the relinquishing affiliate in order to facilitate the continued servicing of the designated fiduciary accounts. The relinquishing affiliate shall mail a notice of the succession to all persons having an interest in a fiduciary account at the then last known address, and shall publish a notice of the succession to fiduciary accounts in a newspaper published in the county of the principal place of business of the relinquishing affiliate. After the publication, the succeeding affiliate shall, without further notice, approval or authorization, succeed to the relinquishing affiliate as to the fiduciary accounts and the fiduciary powers, rights, privileges, duties, and liabilities for the fiduciary accounts. On the effective date of the succession to fiduciary accounts, the relinquishing affiliate is released from the fiduciary duties under the fiduciary accounts and shall discontinue its exercise of trust powers to the fiduciary accounts. This subsection does not absolve a bank or affiliate from liabilities arising out of a breach of fiduciary duty occurring prior to the effective date of the succession to fiduciary accounts.

2. Within sixty days after the mailing and publication of the notice, a person with an interest in a fiduciary account included within the notice and agreement required by subsection 1 may apply to the district court in the county in which the notice is published for the appointment of a new fiduciary on the ground that the succeeding fiduciary will adversely affect the administration of the fiduciary account. After notice to all interested parties and a hearing on the issues, the court may appoint a new fiduciary to replace the succeeding fiduciary if it finds that the substitution of the succeeding fiduciary will adversely affect the administration of the account and that the appointment of a new fiduciary would be in the best interests of the beneficiaries of the fiduciary account. This subsection is in addition to section 633.65 governing the removal of a fiduciary.

3. For purposes of subsection 1, "affiliate" means another state bank or a national bank located in this state and organized under 12 U.S.C. secs. 21 et seq. to engage generally in the banking business. A state bank and another bank shall not be deemed "affiliates" unless both are under the common ownership of a bank holding company as defined in section 524.1801 that owns at least eighty percent of the voting shares of each of the two banks.

4. The privilege extended to a state bank by this section is also extended on the same terms and conditions to a national bank located in this state and organized under 12 U.S.C. secs. 21 et seq. to engage generally in the banking business.

**Sec. 2. NEW SECTION. 524.1008 SUCCESSION OF FIDUCIARY ACCOUNTS TO AN INDEPENDENT BANK.**

1. A state bank authorized to act in a fiduciary capacity may enter into an agreement for the succession of fiduciary accounts with one or more other state or national banks that are located in this state and authorized to act in a fiduciary capacity. In the agreement the succeeding bank may agree to succeed the relinquishing bank as a fiduciary with respect to those fiduciary accounts which are designated in the agreement. The designation of accounts may be by general class or description and may include fiduciary accounts subject and not subject to court administration and fiduciary accounts to arise in the future under wills, trusts, court orders, or other documents under which the relinquishing bank is named as a fiduciary or is named to become a fiduciary upon the death of a testator or settlor or upon the happening of any other subsequent event. The agreement shall provide either (a) that the succeeding bank maintain one or more employees or agents at the office of the relinquishing bank in order to facilitate the continued servicing of the designated fiduciary accounts, or (b) that the relinquishing bank act as an agent of the succeeding bank with respect to the fiduciary accounts that are subject to the agreement, and the relinquishing bank as an agent may perform services other than fiduciary services with respect to those accounts. If the relinquishing bank is an agent under alternative (b) above, then the relinquishing bank shall disclose to its customers that it is acting as an agent of the succeeding bank. The relinquishing bank shall mail a notice of the succession to all persons having an interest in a fiduciary account at their last known address, and shall publish a notice of the succession to fiduciary accounts in a newspaper published in the county of the principal place of business of the relinquishing bank. After the publication, the succeeding bank shall, without further notice, approval or authorization succeed the relinquishing bank as to the fiduciary accounts and the fiduciary powers, rights, privileges, duties, and liabilities for the fiduciary accounts. On the effective date of the succession to fiduciary accounts, the relinquishing bank is released from fiduciary duties under the fiduciary accounts and shall discontinue its exercise of trust powers to the fiduciary accounts. This subsection does not absolve a relinquishing bank from liabilities arising out of a breach of fiduciary duty occurring prior to the succession of fiduciary accounts.

2. Within sixty days after the mailing and publication of the notice, a person with an interest in a fiduciary account included within the notice and agreement required by subsection 1 may apply to the district court in the county in which the notice is published for the appointment of a new fiduciary on the ground that the succeeding fiduciary will adversely affect the administration of the fiduciary account. After notice to all interested parties and a hearing on the issues, the court may appoint a new fiduciary to replace the succeeding fiduciary if it finds that the substitution of the succeeding fiduciary will adversely affect the administration of the account and that the appointment of a new fiduciary would be in the best interests of the beneficiaries of the fiduciary account. This subsection is in addition to section 633.65 governing the removal of a fiduciary.

3. A state bank or national bank that is owned or controlled by a bank holding company as defined in section 524.1801 shall not be a party to an agreement authorized by subsection 1. A bank shall not agree to relinquish fiduciary accounts to or act as an agent of more than one succeeding bank at any one time.

4. The privilege of succeeding to fiduciary accounts that is extended to a state bank by subsection 1 is also extended on the same terms and conditions to a national bank located in this state and organized under 12 U.S.C. secs. 21 et seq. to engage generally in the banking business.

Approved May 2, 1984

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**CHAPTER 1168**  
**COUNTY LIBRARIES**  
*S.F. 2122*

**AN ACT** relating to county libraries.

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

Section 1. Section 358B.13, Code Supplement 1983, is amended by striking the section and inserting in lieu thereof the following:

**358B.13 MAINTENANCE EXPENSE ON PROPORTIONATE BASIS.** The maintenance of a county library shall be on the basis of each participating unit bearing its share of the total cost in proportion to its population as compared to the total population of the county library district. The board of library trustees shall make an estimate of the amount necessary for the maintenance of the county library, the sources of direct library revenue, and the amount to be contributed from taxes or other revenues by the participating city or county and hold a hearing on the estimate after notice of the hearing is published as provided in section 331.305. On or before January 10 of each year, the board of library trustees shall transmit the estimate in dollars to the board of supervisors and to the cities participating in the district. The unincorporated area of each county in the library district shall be considered as a separate supporting unit. Each board of supervisors shall review the estimate and appropriate for library purposes its share in the county rural services fund budget. Each city council shall review the estimate for the city and appropriate for library purposes its share in the city general fund budget. Each participating city or county shall contribute its share from taxation or from other sources available for library purposes on an equitable basis. With approval of a city council, the county treasurer may withhold a reasonable portion of the taxes collected for a city to meet the city's contribution for library purposes and deliver a receipt to the city clerk for the amount withheld.

Sec. 2. Section 358B.16, Code 1983, is amended by adding the following new unnumbered paragraphs: