

A BILL

FOR AN ACT TO PROVIDE FOR AND REGULATE THE ADMINISTRATION OF TRUSTS BY SAVINGS BANKS AND TRUST COMPANIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

SECTION 1. That all savings banks now or hereafter organized under chapter 60, acts of the Fifteenth General Assembly of the state of Iowa, and amendments thereto, having a paid up capital of \$200,000.00 and over, on complying with the provisions of this act may be appointed by any person, corporation, or order of any court, to act as receiver, assignee, guardian, conservator, executor, administrator, or other trustee, and such appointment shall be of like force as in case of the appointment of natural persons.

SEC. 2. Each savings bank before accepting any such appointment or deposit shall deposit with the auditor of state, for the benefit of the creditors of said corporation, the sum of \$50,000.00 in stocks of the United States, or municipal bonds of this state, or in mortgages on improved and productive real estate in this state, being first liens thereon, and the real estate being worth at least twice the amount loaned thereon. The stocks and securities so deposited may be exchanged from time to time for other securities, receivable as aforesaid; so long as the corporation so depositing shall continue solvent it shall be permitted to receive the interest or dividends on said deposit.

Provided, however, that when it shall appear to the said auditor from the report of any such savings bank that the value of the personal property and cash held and possessed by such corporation by virtue of the provisions of this act and any amendments thereof, exceeds ten times the amount of the deposit aforesaid, he shall require said corporation to forthwith increase its said deposit to the sum of \$100,000.00 in such securities. And whenever it shall appear to the said auditor that the amount of personal property and cash so held by any such corporation has been reduced below ten times the value of its original deposit above provided for, and said corporation is not in any default in its duties and obligations hereunder, he shall allow such corporation to reduce its said deposit to the sum of \$50,000.00 by the withdrawal of such additional deposit until such time as an increase in its holdings shall again require an additional deposit, as hereinbefore provided.

SEC. 3. When any part of such deposit is made in real estate mortgages it shall be accompanied by full abstracts of titles and searches.

SEC. 4. It shall not be lawful for any such savings bank to accept any trust or deposit, as herein provided, after the taking effect of this act, without first procuring from the auditor of state a certificate of authority stating that such bank has complied with the requirements of this act in respect to such deposit.

SEC. 5. Any corporation so organized and authorized to transact business shall have in addition to all the general powers and privileges conferred and designated in chapter 60, acts of the Fifteenth General Assembly and amendments thereto, the following powers and authority:

First—To take, accept and hold, by the order, judgment or decree of any court of record of this state, or of any other state, or of the courts of record of the United States, or by gift, grant, assignment, transfer, devise, legacy or bequest, from or with any public or private corporation, or persons whomsoever, any real estate or personal property, upon trusts created in accordance with, or which shall not conflict with the laws of this state or of the United States, and to execute and perform any and all such legal and lawful trusts in regard to the same, upon the terms, conditions, limitations and restrictions which may be declared imposed, established by, or agreed upon in and by such order, judgment, decree, gift, grant, assignment, transfer, devise, legacy or bequest. To accept from and execute for or on behalf of, trusts for married women, in respect of their separate property, real or personal, and ante-nuptial settlement, or otherwise to act as agent for them in the management of such property. To act as agent for the purpose of transferring, issuing, registering or countersigning the certificates of stock, bonds, coupons or other evidences of debt of any corporation, association, person, city, county, state or other authority, or to receive and pay out moneys in redemption of the bonds, coupons or other evidences of indebtedness of such public or private corporation or persons.

Second—To act as trustee, assignee or receiver in all cases where it shall be lawful for any court of record, officer, corporation or person to appoint a trustee, assignee or receiver, and to be appointed, commissioned and act as administrator of any estate, executor of any last will and testament of any deceased person, and as guardian of the estate of any minor or minors, lunatic, imbecile or spendthrift, habitual drunkard or other person disqualified or unable from any cause to manage their estate.

And it shall and may be lawful for any court of record having jurisdiction of the estate and wills of decedents, or of the estates of minors, or of other persons under guardianship, either within or without this state, to appoint and commission any such corporation which holds the certificate of the state auditor showing that it is entitled to transact business in this state, as the executor of any last will and testament or as trustee of any trust under any will, or as the administrator of the estate of any decedent, or guardian of the estate of any minor, imbecile, lunatic, spendthrift, habitual drunkard, or other person disqualified or unable

34 from any cause to manage his or her estate, in all cases where, under the laws of this state,
35 such court could lawfully appoint and commission any natural person as such executor,
36 administrator, guardian or trustee; and in all such cases no bond or other security, or oath
37 or other qualification shall be necessary to enable such corporation to accept such appoint-
38 ments and trusts.

39 *Third*—To act as the general agent and attorney in fact for any public or private corpor-
40 ation or person in the management and control of real estate or personal property, its sale
41 or conveyance, in the negotiation of and sale of mortgages or other securities, the collection
42 of rents, payment of taxes, and generally to act for and represent corporations or persons
43 under powers and letters of attorney in all respects as a natural person could do.

44 *Fourth*—It shall be lawful for any such corporation which has made the deposit and
45 received the certificate of the state auditor as hereinbefore provided, to become the assignee
46 under any assignment for the benefit of creditors, or to act as receivers or to accept any
47 other trust which it is authorized to accept under said act, whether conferred by any person,
48 corporation or court, without giving any bond or other security, which would be otherwise
49 necessary under the laws of this state, to enable a natural person to execute any such trust.
50 It shall also be lawful for any such corporation to become the sole surety upon any bond or
51 undertaking for or on behalf of any person or persons or corporation, in any suit, action or
52 special proceedings in any court in this state where a bond or undertaking shall be neces-
53 sary under the laws of this state or in any other matter, municipal or otherwise, where a
54 bond or undertaking shall be required, without any other bondsman or surety, and without
55 justification or qualification.

56 *Fifth*—Any court having appointed and having jurisdiction of any receiver, executor,
57 administrator, conservator, guardian, assignee or other trustee, or upon the application of
58 any person having an interest in the estate administered by such officer or trustee, after
59 such notice to the other parties as the court may direct, and after a hearing upon such
60 application, may order such officer or trustee to deposit any moneys then in his hands or
61 which may come into his hands thereafter, and until the further order of said court, with
62 any such corporation, and upon deposit of such money and its receipt and acceptance
63 by such corporation, the said officer or trustee shall be discharged from further care or
64 responsibility therefor. Such deposits shall be paid out only upon the orders of said court.

65 *Sixth*—Whenever, in the judgment of any court having jurisdiction of any estate in pro-
66 cess of administration by any assignee, receiver, executor, administrator, guardian, con-
67 servator or other trustee, the bond required by law of such officer shall seem burdensome or
68 excessive, upon application of such officer or trustee, and after such notice to the parties
69 in interest as the court shall direct, and after a hearing on such application, the said court
70 may order the said officer or trustee to deposit with any such corporation, for safe keeping,

71 such portion or all of the personal assets of said estate as it shall deem proper, and thereupon
72 said court shall, by an order of record, reduce the bond to be given by said officer or trustee, so
73 as to cover only the estate remaining in the hands of said officer or trustee, and the property
74 as deposited shall thereupon be held by said corporation under the orders and directions of
75 said court.

SEC. 6. Such corporations shall be entitled to, and shall be allowed proper compensation
2 for all the services performed by them under the provisions of this act, but such compensa-
3 tion shall not exceed that allowed to natural persons for like services.

SEC. 7. In addition to the matters required to be shown in the statement of banking asso-
2 ciations by section twenty-two chapter sixty of the act of the Fifteenth General Assembly,
3 the statement of corporations availing themselves of the provisions of this act shall give a
4 list and brief description of the trusts held by such corporation, the source of the appoint-
5 ment thereto, and the amount of real and personal estate held by such corporation by virtue
6 thereof. The said report shall also be in such form and contain such statements, returns
7 and information as to the affairs, business condition and resources of the corporation as the
8 said auditor of state may from time to time prescribe and require.

SEC. 8. All corporations hereafter organized that wish to avail themselves of the privi-
2 leges of this act shall have the word "trust" incorporated in and made a part of the name of
3 such corporation.

SEC. 9. All such associations incorporated at the time of the taking effect of this act may
2 change their corporate name by amendment of their respective articles of incorporation, so
3 as to embrace the word "trust" in their respective corporate names.

SEC. 10. It shall be unlawful for any association, not incorporated, partnership or indi-
2 vidual, except such as comply with the terms and provisions of this act, to incorporate or
3 embrace in the name of such association, partnership or individual the word "trust." *Pro-*
4 *vided*, this act shall not apply to banking associations organized under the laws of the United
5 States.

SEC. 11. Any violation of any of the provisions of this act shall subject the party violat-
2 ing the same to a penalty of five hundred (500) dollars for each offense.

SEC. 12. Any corporation which desires to retire from business under this act shall fur-
2 nish the auditor satisfactory evidence of its release and discharge from all the obligations
3 and trusts hereinbefore provided for, whereupon he shall revoke his certificate to such cor-
4 poration and return its securities.

SEC. 13. All acts and parts of acts in conflict with the provisions of this act are hereby
2 repealed.