

A BILL

FOR AN ACT TO REPEAL SECTION ONE THOUSAND EIGHT HUNDRED SIXTY-NINE (1869) OF THE SUPPLEMENT TO THE CODE, 1913, AND TO ENACT A SUBSTITUTE THEREFOR, RELATING TO BANKS, AND UNINCORPORATED BANKING COMPANIES.

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

Section 1. That section one thousand eight hundred sixty-nine (1869) of the supplement to the code, 1913, is hereby repealed and the following is hereby enacted in lieu thereof, to-wit:

“Officers of savings and state banks may receive for their services a reasonable compensation to be fixed from time to time in the by-laws, or by vote of the board of directors; provided, however, directors as such shall receive only such reasonable compensation as shall be fixed from year to year by the stockholders at their annual meeting and when approved by the auditor of state, and a director of such bank who is paid a salary as an active officer thereof, shall not draw any added compensation for attendance upon board meetings. No officer or employe of the bank shall in any manner directly or indirectly use its funds or deposits or any part thereof, except for the regular business transactions of the bank; that funds of savings and state banks shall not be loaned directly or indirectly in any amount to any officer, director, or employe of such bank. Any officer, director, stockholder, or employe of such bank who violates any provision of this section, or directly or indirectly makes, or connives at, or consents to or permits any loan of the funds of such bank to any officer, or director, shall be guilty of embezzlement and shall be imprisoned in the penitentiary not exceeding ten years, or fined in a sum not less than the amount embezzled, or by both fine and imprisonment; but nothing in this act shall prevent or defeat the right to recover upon any note or other obligations given in violation of this provision.”

Sec. 2. No person engaged in the business of private or unincorporated banking, nor any officer, director, employe or agent of any such banking business, shall hereafter loan any part of the capital invested in such banking business, or any part of the deposits received in carrying on such business, to himself, or to any officer, agent or member of such banking business, directly or indirectly, nor shall the funds or deposits, or any part thereof, of any such private or unincorporated banking business, in any manner directly or indirectly, be used for any purpose excepting for the regular business transactions of such bank. Any person violating the provisions of this section shall be punished as provided in section one hereof.