

Reported Recommending.....
 Ind. Postponed.....
 Passed House.....
 Failed to Pass House.....
 Passed Senate.....
 Failed to Pass Senate.....

January 21, 1941.
 Passed on File.

Senate File 71.
 By AUGUSTINE.

A BILL FOR

An Act to regulate the holding and ownership of real estate in the state of Iowa by corporations and associations; prohibiting the holding of real estate by any person or corporation in trust for the use and benefit of the corporate owner for the purpose of evading the provisions of this act; requiring corporations to file statements of all real estate unlawfully held or owned by corporations or associations; providing for the establishment of the "Iowa Farm Land Appraisal Board" to appraise and sell all real estate held in violation of the provisions of this act; to define the powers and duties of said board; amending section eight thousand three hundred forty-one (8341), subsection six (6), section eight thousand nine hundred twenty-six (8926), subsection four (4), and repealing section eight thousand seven hundred thirty-six (8736), of the Code, 1939, relating to the ownership of real estate by corporations, associations and insurance companies.

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

1 Section 1. This act may be referred to as the "Iowa
 2 Corporate Land Disposal Act".

1 Sec. 2. The word "board" whenever used in this act
 2 shall mean the Iowa Farm Land Appraisal Board.

1 Sec. 3. No corporation or association shall take title
 2 to, hold or own any real estate in the state of Iowa,
 3 located outside of incorporated cities and towns and addi-

4 tions thereto, which is not necessary and proper for the
5 transaction of the business for which said corporation
6 was chartered or licensed, except real estate acquired
7 upon foreclosure of mortgages thereon or in the collection
8 of debts due said corporation.

1 Sec. 4. Every corporation or association taking title
2 to, buying or acquiring any real estate in the state of
3 Iowa upon the foreclosure of a mortgage or mortgages thereon,
4 or in the collection of a debt or debts due to said corpora-
5 tion, shall sell and dispose of said real estate within two
6 (2) years from the date of the acquisition of said real
7 estate, unless said real estate is located in incorporated
8 cities and towns and additions thereto, or unless said real
9 estate is necessary and proper for the transaction of the
10 business for which said corporation is licensed or chartered.

1 Sec. 5. Every corporation or association owning more
2 than six hundred and forty (640) acres of any real estate
3 located outside of incorporated cities and towns and addi-
4 tions thereto at the time of the effective date of this act
5 shall sell said real estate within two (2) years from the
6 date of the acquisition thereof, and if any piece or parcel
7 of such real estate has been owned by said corporation for
8 a period of more than two (2) years next preceding the
9 effective date of this act, the corporate owner thereof
10 shall within ninety (90) days sell and dispose of said
11 real estate; provided, however, that the provisions of this

12 section shall not operate to require any corporation to
13 dispose of real estate necessary and proper for the trans-
14 action of the business for which said corporation was
15 licensed or chartered.

1 Sec. 6. The taking and holding of title to real
2 estate by a natural person or another corporation or asso-
3 ciation for the use and benefit of a corporation or associa-
4 tion, whether occurring before or after the passage and
5 approval of this act, shall not in any manner affect the
6 operation of this act, and the provisions hereof shall
7 apply to the corporation or association for whose benefit
8 said real estate is held, the same as though the title to
9 such real estate was held by said corporation.

1 Sec. 7. Every corporation owning or holding any real
2 estate in contravention of the provisions of this act shall,
3 within thirty (30) days from and after the date of the
4 passage and approval of this act, file in the office of the
5 board a statement in duplicate containing the legal
6 description of each tract, piece or parcel of real estate
7 so owned or acquired, and shall show the date of the
8 acquisition of each piece or parcel, the amount of the last
9 preceding assessed valuation thereof, the purpose and
10 method of acquisition of same, and said statement shall be
11 verified by the oath of an officer or duly appointed agent
12 of the corporation or association.

1 Sec. 8. There is hereby created the Iowa Farm Land

2 Appraisal Board, which shall be composed of three (3)
3 members, not more than two (2) of whom shall be from any
4 one political party. The members of said board shall be
5 appointed by the governor by and with the consent of two-
6 thirds ($\frac{2}{3}$) of the members of the senate, one of whom
7 shall hold office for a term of two (2) years, one for a
8 term of four (4) years, and one for a term of six (6)
9 years. Thereafter, all members appointed to the board
10 shall hold office for a term of six (6) years. Each member
11 of the board shall receive an annual salary of four
12 thousand dollars (\$4,000.00), and shall at the time of
13 his appointment be a citizen of the state of Iowa, and
14 during his period of office shall hold no other public
15 position or office, and shall devote his entire time to
16 the duties of this office. The members of said board shall
17 receive, in addition to the compensation hereinbefore
18 described, the amount of their traveling and other necessary
19 expenses actually incurred in the performance of their
20 official duties. If the legislature be not in session at
21 the time of the appointment of the members to said board,
22 or in the event any person be chosen to fill a vacancy,
23 such appointment shall continue only until thirty (30)
24 days after the convening of the next succeeding session
25 of the legislature.

1 Sec. 9. The board shall have power to employ necessary
2 personnel and fix their compensation and to make and promul-

3 gate such rules relating to the operation of the board as
4 may be required for competent and efficient administration
5 of this act. Such salaries and compensation of the
6 personnel of the board shall be paid from a fund which is
7 hereby created in the state treasury and shall be designated
8 "land appraisers' fund" and the comptroller shall issue
9 warrants therefor against said fund upon the requisition
10 of the board.

1 Sec. 10. The board shall be invested with the powers
2 and duties of immediately appraising and disposing of all
3 lands held or owned by corporations or associations of
4 every kind, foreign or domestic, in contravention of the
5 provisions of this act, in the manner and upon the terms
6 hereinafter set forth.

1 Sec. 11. The board shall forthwith appraise and fix
2 the value of all farm or agricultural lands owned or to
3 which title is held by any corporation or association or
4 for the use and benefit of any corporation in contravention
5 of the provisions of this act. Upon determination of the
6 value of such lands the said board shall immediately certify
7 its said appraisal to the secretary of agriculture of Iowa,
8 who shall duly record the same in appropriate records in
9 his office, where the sale shall be available for public
10 inspection.

1 Sec. 12. The board shall have power to and is invested
2 with the duty to accept bids or offers for the purchase

3 of said lands for a sum equal or greater than the amount
4 of the appraisal, and upon such terms as hereinafter appear.
5 The first qualified person bidding for or offering to
6 purchase said lands for the said appraised value, or a
7 greater value, shall be entitled to purchase the same; and
8 no subsequent bid shall be valid so long as the initial
9 bid shall be maintained in accordance with the provisions
10 of this act.

1 Sec. 13. No person shall be eligible to purchase said
2 property who is not a citizen of the United States and who
3 has not been for the three (3) years immediately prior to
4 any application an actual resident of Iowa. No person
5 shall be eligible to purchase said property who is related
6 to a member of the board within the third degree of con-
7 sanguinity or affinity.

1 Sec. 14. The board shall have full power to sell all
2 the lands and real estate appraised under this act, either
3 for cash or under contract, upon the terms and conditions
4 hereinafter stated.

1 Sec. 15. If the sale be under contract, the initial
2 payment shall be determined by the board and shall be not
3 less than ten (10) percent of the purchase price.

1 Sec. 16. The contract of sale shall provide: (1) for
2 payment of the purchase price within twenty (20) years;
3 (2) for the payment of interest on the unpaid balance at
4 the rate of four (4) percent per annum; (3) for payment

5 of the unpaid balance in accordance with level payment
6 schedules prescribed by the board; (4) such covenants as
7 the board may prescribe to secure the payment of the unpaid
8 balance; (5) that no deed or patent shall issue until the
9 full amount has been paid; (6) that the purchaser shall pay
10 the taxes and assessments to the proper taxing authorities;
11 (7) that the purchaser shall insure and pay for insurance
12 on the farm buildings and assign said policies to the
13 board; (8) that upon default in payment or in the perform-
14 ance of any covenant the board may foreclose or forfeit
15 any contract forthwith as provided in chapter five hundred
16 twenty-seven (527), Code, 1939.

1 Sec. 17. In the event any corporation holding real
2 estate in contravention of the provisions of this act shall
3 refuse to furnish Abstract of Title, or to execute deeds or
4 contracts for the sale of such lands, the said board may
5 execute the same, and such deeds and contracts shall be
6 binding on such corporations or associations.

1 Sec. 18. A sum equal to five (5) percent of the pur-
2 chase price in every transaction of the board shall be
3 paid into the treasury of the state and be placed in the
4 land appraisers' fund, which shall be used to defray
5 expenses incident to the operation of said board, including
6 the salary of members of the board and other personnel.

1 Sec. 19. Any purchaser of farm lands under this act
2 whose interest or title shall be disputed by any corporation

3 or association, who is granted a decree establishing and
4 quieting his title as against any adverse claims of the
5 corporation or association, shall be entitled to recover costs
6 and an attorney's fee to be fixed by the court, not in excess
7 of three (3) percent of the contract purchase price.

1 Sec. 20. The proceeds received by the board, whether
2 the full purchase price be paid in cash or in installments,
3 shall be paid by the board to the corporation after the
4 deduction of such amount as may be authorized by this act,
5 including any costs arising under Section seventeen (17)
6 of this act, or commissions paid to a licensed Real Estate
7 Broker for assistance in the sale of any property.

1 Sec. 21. Nothing in this act shall be construed as
2 denying any corporation or association the right to a review
3 of the action of the board by a writ of certiorari.

1 Sec. 22. Section eight thousand three hundred forty-
2 one (8341), subsection six (6), Code of Iowa, 1939, is
3 amended as follows: by striking all after the word
4 "property" and inserting a period (.) after the word
5 "property".

1 Sec. 23. Section eight thousand seven hundred thirty-
2 six (8736), Code, 1939, is hereby repealed.

1 Sec. 24. Section eight thousand nine hundred twenty-
2 six (8926), subsection four (4), Code, 1939, is amended by
3 striking all after the word "mortgagee" in line four (4)
4 and inserting a period (.) after said word.

1 Sec. 25. If any portion of this act shall be held
2 invalid, the remaining provisions shall be given full
3 course and effect as if the part held invalid had not been
4 included herein.

1 Sec. 26. All acts or parts of acts in conflict herewith
2 are hereby repealed.

1 Sec. 27. This act being deemed of immediate importance,
2 the same shall be in full force and effect after publication
3 in the Oskaloosa Daily Herald, a newspaper of general
4 circulation, published in Oskaloosa, Iowa, and
5 , a newspaper of general circulation published
6 in, Iowa.