

Commerce 4/2

Senate File 392
Commerce
Curtis, Chairman
Junkins
Priebe

FILED APR 1 1975

SENATE FILE 392

By NORPEL

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the usury law provisions pertaining to sole
2 proprietorships and partnerships.

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

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1 Section 1. Section five hundred thirty-five point two
2 (535.2), subsection two (2), Code 1975, is amended to read
3 as follows:

4 2. Any domestic or foreign corporation, sole
5 proprietorship, partnership, or real estate investment trust
6 as defined in section 856 of the Internal Revenue Code may
7 agree in writing to pay any rate of interest in excess of
8 the rate prescribed in subsection 1 hereof, and no such
9 corporation, sole proprietorship, partnership or real estate
10 investment trust so agreeing in writing shall plead or
11 interpose the claim or defense of usury in any action or
12 proceeding.

13 EXPLANATION

14 This bill recognizes that credit transactions involving
15 sole proprietorships and partnerships are commercial
16 transactions and it would therefore exclude such transactions
17 from the usury limitations in the same manner that the Code
18 treats corporations.

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