

CHAPTER 14**OBLIGATIONS OF BANK DIRECTORS AND OFFICERS***H.F. 294*

AN ACT relating to the obligations of a spouse of a director or officer of a state bank.

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

Section 1. Section 524.612, subsection 5, Code 1991, is amended to read as follows:

5. For the purpose of this section, and section 524.706, any obligation, as defined in section 524.904, subsection 1, of the spouse, other than a spouse who is separated from the director or officer under a decree of divorce or separate maintenance, or minor children of a director or officer to the state bank in which the person is a director or officer ~~shall be~~ is considered an obligation of such director or officer. However, an obligation of a spouse is not considered an obligation of the director or officer if the officer or director and the spouse of the director or officer maintain separate deposit accounts, for either personal or business purposes, and the funds obtained pursuant to the obligation of the spouse are not commingled with funds of, or used to directly benefit, the officer or director, and the obligation is not guaranteed by the director or officer.

Approved March 26, 1991

CHAPTER 15**FRAUDULENT PRACTICE IN PAYMENT TO LIVESTOCK DEALERS***S.F. 174*

AN ACT classifying the transfer of a nonpayable financial instrument to a livestock dealer or market agency as a fraudulent practice and making penalties applicable.

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

Section 1. Section 714.8, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 14. Makes payment pursuant to an agreement with a dealer or market agency for livestock held by the dealer by use of a financial instrument which is a check, share draft, draft, or written order on any financial institution, as defined in section 543.1, if after seven days from the date that possession of the livestock is transferred pursuant to the purchase, the financial institution refuses payment on the instrument because of insufficient funds in the maker's account.

This subsection is not applicable if the maker pays the holder of the instrument the amount due on the instrument within one business day from a receipt of notice by certified mail from the holder that payment has been refused by the financial institution.

As used in this subsection, "dealer" means a person engaged in the business of buying or selling livestock, either on the person's own account, or as an employee or agent of a vendor or purchaser. "Market agency" means a person engaged in the business of buying or selling livestock on a commission basis.

Approved March 27, 1991