

COMMERCE: Jensen, Chair: Carr and Priebe

Do Pass 5/5/87 (p. 582)

FEB 16 1987

Place On Calendar

HOUSE FILE 265
BY COMMITTEE ON SMALL BUSINESS
AND COMMERCE

(Formerly House Study Bill 108)

Passed House, Date 1-23-77 (p. 43) Passed Senate, Date 3-13-87 (p. 679)

Vote: Ayes 92 Nays 2 Vote: Ayes 38 Nays 0

Approved March 30, 1987 (p. 953)

A BILL FOR

1 An Act relating to the regulation of industrial loan companies.

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

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HF 265

1 Section 1. Section 536A.12, unnumbered paragraph 1, Code
2 1987, is amended to read as follows:

3 Each such license ~~shall remain~~ remains in full force and
4 effect until surrendered, revoked, or suspended. Every A
5 licensee shall, on or before the second day of January, pay to
6 the superintendent the sum of fifty dollars as an annual
7 license fee for the succeeding calendar year. When a licensee
8 ~~shall change~~ changes its place of business from one location
9 to another in the same city it shall at once give written
10 notice ~~thereof~~ to the superintendent who shall attach to the
11 license in writing the superintendent's record of the change
12 and the date ~~thereof~~ of the change, which ~~shall be~~ is
13 authority for the operation of ~~such~~ the business under ~~such~~
14 that license at the new place of business.

15 Sec. 2. Section 536A.12, unnumbered paragraph 2, Code
16 1987, is amended by striking the paragraph.

17 Sec. 3. Section 536A.15, Code 1987, is amended to read as
18 follows:

19 536A.15 EXAMINATION OF LICENSEES.

20 The superintendent or the superintendent's duly authorized
21 representative shall, at least once each year without previous
22 notice, examine ~~and audit~~ the books, accounts, and records of
23 each licensee engaged in the industrial loan business as
24 defined by this chapter. Any A licensee ~~in lieu of such~~
25 ~~examination and audit by the superintendent or the~~
26 ~~superintendent's duly authorized representative, at the option~~
27 ~~of the superintendent, may~~ issuing senior debt to the general
28 public shall be audited at the expense of the licensee by a
29 certified public accountant licensed to practice in the state
30 of Iowa. A licensee not issuing senior debt to the general
31 public may provide an audited statement of the licensee's
32 parent corporation which includes the Iowa licensee. After
33 receiving such an audit or audited statement, the
34 superintendent may make ~~such~~ further examination of the
35 licensee as the superintendent ~~may deem~~ deems necessary. A

1 record of each examination shall be kept in the
2 superintendent's office. ~~Such~~ The examinations and reports,
3 and other information connected ~~therewith~~ with them, shall be
4 kept confidential in the office of the superintendent and
5 shall not be subject to publication or disclosure to others
6 except as in this chapter provided. Any evidence of criminal
7 acts committed by officers, directors, or employees of any an
8 industrial loan ~~association~~ company shall be reported by the
9 superintendent to the proper authorities. The licensee shall
10 be charged and shall pay the actual costs of the examination.

11 EXPLANATION

12 This bill amends chapter 536A to remove provisions
13 regarding the industrial loan law revolving fund, and changes
14 certain reporting and examination practices for licensed
15 industrial loan companies.

16 Sections 1 and 2 amend and delete portions of section
17 536A.12 concerning the "industrial loan law revolving fund",
18 so that license fees are to be paid into the state general
19 fund.

20 Section 3 amends section 536A.15 to remove the requirement
21 that the superintendent of banking perform an annual
22 examination and audit of each licensed industrial loan
23 company. The bill provides for an annual examination by the
24 superintendent, and requires a licensee to perform an audit by
25 a certified public accountant at the licensee's expense, or
26 for some companies, to provide an audited statement of the
27 licensee's parent corporation which includes the Iowa
28 licensee.

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SMALL BUSINESS AND COMMERCE

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON SMALL BUSINESS AND COMMERCE BILL)

Passed Senate, Date _____ Passed House, Date _____

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

Approved _____

A BILL FOR

1 An Act relating to the regulation of industrial loan companies.

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

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SUB COMMITTEE ASSIGNMENTS

CHAIR: *Parker*

COMMITTEE: *Small Business*

2/10/87

1 Section 1. Section 536A.12, unnumbered paragraph 1, Code
2 1987, is amended to read as follows:

3 Each such license ~~shall-remain~~ remains in full force and
4 effect until surrendered, revoked, or suspended. Every A
5 licensee shall, on or before the second day of January, pay to
6 the superintendent the sum of fifty dollars as an annual
7 license fee for the succeeding calendar year. When a licensee
8 ~~shall-change~~ changes its place of business from one location
9 to another in the same city it shall at once give written
10 notice ~~thereof~~ to the superintendent who shall attach to the
11 license in writing the superintendent's record of the change
12 and the date ~~thereof~~ of the change, which ~~shall-be~~ is
13 authority for the operation of ~~such~~ the business under ~~such~~
14 that license at the new place of business.

15 Sec. 2. Section 536A.12, unnumbered paragraph 2, Code
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17 Sec. 3. Section 536A.15, Code 1987, is amended to read as
18 follows:

19 536A.15 EXAMINATION OF LICENSEES.

20 The superintendent or the superintendent's duly authorized
21 representative shall, at least once each year without previous
22 notice, examine ~~and-audit~~ the books, accounts, and records of
23 each licensee engaged in the industrial loan business as
24 defined by this chapter. Any A licensee-in-lieu-of-such
25 ~~examination-and-audit-by-the-superintendent-or-the~~
26 ~~superintendent's-duly-authorized-representative-at-the-option~~
27 ~~of-the-superintendent-may~~ issuing senior debt to the general
28 public shall be audited at the expense of the licensee by a
29 certified public accountant licensed to practice in the state
30 of Iowa. A licensee not issuing senior debt to the general
31 public may provide an audited statement of the licensee's
32 parent corporation which includes the Iowa licensee. After
33 receiving such an audit or audited statement, the
34 superintendent may make ~~such~~ further examination of the
35 licensee as the superintendent ~~may-deem~~ deems necessary. A

1 record of each examination shall be kept in the
2 superintendent's office. ~~Such~~ The examinations and reports,
3 and other information connected ~~therewith~~ with them, shall be
4 kept confidential in the office of the superintendent and
5 shall not be subject to publication or disclosure to others
6 except as in this chapter provided. Any evidence of criminal
7 acts committed by officers, directors, or employees of ~~any an~~
8 industrial loan ~~association~~ company shall be reported by the
9 superintendent to the proper authorities. The licensee shall
10 be charged and shall pay the actual costs of the examination.

11 EXPLANATION

12 This bill amends chapter 536A to remove provisions
13 regarding the industrial loan law revolving fund, and changes
14 certain reporting and examination practices for licensed
15 industrial loan companies.

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17 536A.12 concerning the "industrial loan law revolving fund",
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19 fund.

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21 that the superintendent of banking perform an annual
22 examination and audit of each licensed industrial loan
23 company. The bill provides for an annual examination by the
24 superintendent, and requires a licensee to perform an audit by
25 a certified public accountant at the licensee's expense, or
26 for some companies, to provide an audited statement of the
27 licensee's parent corporation which includes the Iowa
28 licensee.

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HOUSE FILE 265

AN ACT
RELATING TO THE REGULATION OF INDUSTRIAL LOAN COMPANIES.

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

Section 1. Section 536A.12, unnumbered paragraph 1, Code 1987, is amended to read as follows:

Each such license ~~shall remain~~ remains in full force and effect until surrendered, revoked, or suspended. Every A licensee shall, on or before the second day of January, pay to the superintendent the sum of fifty dollars as an annual license fee for the succeeding calendar year. When a licensee ~~shall change~~ changes its place of business from one location to another in the same city it shall at once give written notice thereof to the superintendent who shall attach to the license in writing the superintendent's record of the change and the

date thereof of the change, which ~~shall be~~ is authority for the operation of ~~such the~~ the business under ~~such that~~ that license at the new place of business.

Sec. 2. Section 536A.12, unnumbered paragraph 2, Code 1987, is amended by striking the paragraph.

Sec. 3. Section 536A.15, Code 1987, is amended to read as follows:

536A.15 EXAMINATION OF LICENSEES.

The superintendent or the superintendent's duly authorized representative shall, at least once each year without previous notice, ~~examine and audit~~ the books, accounts, and records of each licensee engaged in the industrial loan business as defined by this chapter. ~~Any A licensee, in lieu of such examination and audit by the superintendent or the superintendent's duly authorized representative at the option of the superintendent, may~~ issuing senior debt to the general public shall be audited at the expense of the licensee by a certified public accountant licensed to practice in the state of Iowa. A licensee not issuing senior debt to the general public may provide an audited statement of the licensee's parent corporation which includes the Iowa licensee. After receiving such an audit ~~or audited statement~~, the superintendent may make ~~such~~ further examination of the licensee as the superintendent ~~may deem~~ deems necessary. A record of each examination shall be kept in the superintendent's office. ~~Such The~~ The examinations and reports, and other information connected therewith ~~with them~~, shall be kept confidential in the office of the superintendent and shall not be subject to publication or disclosure to others except as in this chapter provided. Any evidence of criminal acts committed by officers, directors, or employees of any an industrial loan association company shall be reported by the

superintendent to the proper authorities. The licensee shall be charged and shall pay the actual costs of the examination.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 265, Seventy-second General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved March 30, 1987

TERRY E. BRANSTAD
Governor