

word, "windstorms" in the same line, the words, "and to insure plate glass against breakage from accident".

Approved April 9, 1902.

CHAPTER 75.

STOCK OR PREMIUM NOTES OF LIFE INSURANCE COMPANIES.

S. F. 236.

AN ACT to amend section seventeen hundred and seventy-one (1771) of the code, in relation to stock or premium notes.

Be it enacted by the General Assembly of the State of Iowa:

SECTION 1. Deposit and withdrawal of stock notes. That section seventeen hundred and seventy-one (1771) of the code be and the same is hereby amended by adding thereto the following:

"All notes heretofore or hereafter given as a part of the capital stock of a stock company, shall be deposited with the auditor of state, and in the event any stockholder shall dispose of his or her stock in such company, he or she may withdraw the note or notes so given, upon depositing with the auditor of state the note of the purchaser of such stock, accompanied by a certificate as provided for in this section."

Approved April 9, 1902.

CHAPTER 76.

LIMIT OF LIABILITIES OF BANKS.

S. F. 187.

AN ACT to amend section eighteen hundred and seventy (1870) of the code, in relation to limit of liabilities of banks.

Be it enacted by the General Assembly of the State of Iowa:

SECTION 1. Loans on real estate security. That section eighteen hundred and seventy (1870) of the code be amended by inserting in line five (5) after the word "bank" and before the word "but" the following:

"Provided that they may loan not to exceed one-half of their capital stock to any person, corporation, company or firm on notes or bonds secured by mortgage or deed of trust upon unincumbered farm land in this state, worth at least twice the amount loaned thereon".

SEC. 2. In effect. This act, being deemed of immediate importance, shall be in force and take effect from and after its publication in the Iowa State Register and the Des Moines Leader, newspapers published at Des Moines, Iowa.

Approved April 10, 1902.

I hereby certify that the foregoing Act was published in the Iowa State Register and the Des Moines Leader, April 11, 1902.

W. B. MARTIN,
Secretary of State.

CHAPTER 77.

RELATING TO BUILDING AND LOAN ASSOCIATIONS.

S. F. 348.

AN ACT amending chapter thirteen (13) [of title nine (IX)] of the code and chapter sixty-nine (69) of the acts of the Twenty-eighth General Assembly, relating to building and loan associations and defining and regulating the same.

Be it enacted by the General Assembly of the State of Iowa:

SECTION 1. Unincorporated building and loan associations. All unincorporated organizations, associations, societies, partnerships or individuals conducting and carrying on a business, the purpose of which is to create a fund derived from periodical payments by members of such organizations, associations, societies, or other persons, upon contracts or otherwise, as well as from fines, forfeitures, incidental fees and payment of premiums and interest, which fund is to be loaned or advanced to members of the organization, association, society or to the persons making such periodical payments, for the purpose of enabling them to acquire the ownership or free possession of real estate, or personal property or to construct buildings, or any or all of such purposes, shall be deemed building and loan associations; and the provisions of chapter thirteen (13) of title nine (9) of the code, and chapter sixty-nine (69) of the acts of the Twenty-eighth General Assembly of the state of Iowa, shall apply to all such building and loan associations so far as the same can be made applicable to unincorporated organizations, associations, societies, partnerships or individuals.

SEC. 2. Sworn statements—deposit of securities. Every such unincorporated organization, association, society, partnership or individual, conducting and carrying on the business defined in section one (1) hereof, shall, before transacting any business in this state, submit to the executive council a full and complete sworn statement of the resources and liabilities of such organization, association, society, partnership or individual, and of the proposed plan or method of doing business; and no such unincorporated building and loan association shall be permitted to carry on its business within this state unless it shall first deposit with the auditor of state at least fifty thousand dollars (\$50,000) of first mortgages and negotiable notes in the same amount secured thereby upon real estate in the state of Iowa, bearing interest at a rate not less than five per cent per annum, which said mortgages shall in no case exceed one half the actual value of the real estate upon which they are taken; and the auditor of state shall have power and authority to require that such further amount of such securities shall be deposited with him as in his judgment may thereafter be necessary to protect the members of such building and loan association, or the persons making periodical payments thereto. The notes, mortgages and securities so deposited with the auditor of state shall, with all interest and accumulations thereon, be held in trust by him for the purpose of fulfilling and carrying out all contracts made by such building and loan association with the members thereof, and with the persons making periodical payments thereto.

SEC. 3. Approval—certificate. If the executive council approves the plan or method of business of any such building and loan association, it shall endorse its approval upon the statement of the resources and liabilities and plan of business presented to it, and such statement shall thereupon be filed in the office of the auditor of state, who shall issue a certificate to such building and loan association to transact business within the state of Iowa, if such association has deposited with him the mortgages and securities required by the provisions of section two (2) hereof.

SEC. 4. Officers to give bond—approval. Every officer of such building and loan association who signs or endorses checks or handles any of the funds or securities thereof, shall give such bond or fidelity insurance for the faithful performance of his duty in such sum as the auditor of state may require, and no such officer shall be deemed qualified to enter upon the duties of his office until his bond is approved by, and deposited with, the auditor of state. And any such bond may be increased or additional securities required by the auditor of state whenever in his judgment it becomes necessary to protect the interest of the association or its members, or persons making periodical payments of money thereto.

SEC. 5. Examination. The auditor of state may at any time he may see proper make, or cause to be made, an examination of any such building and loan association, or he may call upon it for a report of its condition upon any given day which has passed, as often as four times each year, which report shall contain the information hereinafter required.

SEC. 6. Expense of examination. The expense of making such examination shall be paid by the building and loan association, and if made by the auditor in person he shall be paid his necessary expenses only; if made by an examiner designated by the auditor, he shall receive ten dollars (\$10) a day for the time employed by him and his necessary expenses.

SEC. 7. Annual reports. On or before the first day of February of each year every such building and loan association shall file with the auditor of state its annual report in writing for the year ending on the thirty first day of December preceding, giving a complete statement in detail of all of its receipts from all sources, and all disbursements made, during such year, arranged and itemized as may be required by the auditor of state. Such report shall also show the number of members or persons making periodical payments to such association, the number and amount of loans made to such persons, the interest received therefrom, the number and amounts of mortgages, contracts or other securities held by the association, the actual cash value of the real estate securing such mortgages or contracts, the salary paid to each of its officers during the preceding year, the assets and liabilities of the association at the end of the year, and any other matters which in the judgment of the auditor of state may be required to give him full information as to the business transacted by such building and loan association.

SEC. 8. Failure or refusal to furnish reports. If any such building and loan association shall fail or refuse to furnish to the auditor of state the report required in the preceding section, the officers or persons conducting the business of such building and loan association shall forfeit the sum of twenty-five dollars (\$25) for each day that such report is withheld, and the auditor of state may maintain an action, jointly or severally, against them in the name of the state to recover such penalty, and the same shall be paid into the state treasury when recovered by him.

SEC. 9. Penalties. If any officer or agent of any such building and loan association, or any person conducting the business thereof, shall knowingly and willfully swear falsely to any statement in regard to any matter in this act required to be made under oath, he shall be guilty of perjury and punished accordingly. And if any officer, agent or employe of any such association, or any person transacting the business thereof, shall issue, utter or offer to utter, any warrant, check, order, or promise to pay of such association, or shall sign, transfer, cancel or surrender any note, bond, draft, mortgage, or other evidence of indebtedness belonging to such association, or shall demand, collect or receive any money from any member or other person in the name of such association without being authorized so to do; or if any such officer, agent or employe of such association, or any person transacting the business thereof, shall embezzle, convert to his own use, or shall use or pledge for his own benefit or purpose, any moneys, securities, credits or other property belonging to the association, or shall knowingly solicit, transact, or attempt to transact any business for any such association which has not procured and does not hold the certificate of authority from the auditor of state to transact business in this state as provided herein; or shall knowingly make, or cause to be made, any false entries in the books of the association, or shall, with intent to deceive any person making an examination of such association, as herein provided, exhibit to the person making the examination any false entry, paper or statement, he shall be fined in a sum not exceeding ten thousand dollars (\$10,000), or imprisoned in the penitentiary not exceeding ten (10) years, or punished by both such fine and imprisonment.

SEC. 10. Revocation of certificate—receiver. If any such building and loan association, holding a certificate of authority to transact business within this state issued by the auditor as herein provided, shall violate any of the provisions of this act, or shall fail to deposit with the auditor of state such further amount of mortgages or securities as he may require under section two (2) hereof, the auditor of state shall at once revoke such certificate and notify the executive council of the revocation thereof; and under the direction of the executive council, application shall be made by the attorney general to the proper court for the appointment of a receiver to wind up the affairs of the association; and in such proceedings the amount due from the borrowing members or persons making periodical payments upon contracts or mortgages given by them, shall be ascertained in the manner provided in section seven (7) of chapter sixty nine (69) of the Acts of the Twenty-eighth General Assembly; and the amounts owing upon such mortgages or contracts from members of the association or persons making periodical payments thereto, shall be treated and considered as due and payable within a reasonable time, to be fixed by the court after the appointment of a receiver.

SEC. 11. In effect. This act, being deemed of immediate importance, shall take effect and be in force from and after its publication in the Iowa State Register and Des Moines Leader, newspapers published at Des Moines, Iowa.

Approved May 2, 1902.

I hereby certify that the foregoing Act was published in the Iowa State Register and the Des Moines Leader, May 3, 1902.

W. B. MARTIN,
Secretary of State.

CHAPTER 78.

LEVEES, DRAINS AND WATER COURSES.

S. F. 253.

AN ACT to amend sections one thousand nine hundred and forty-six (1946), one thousand nine hundred and forty-eight (1948) and one thousand nine hundred and fifty-one (1951) of the code relating to levees, drains and water courses.

Be it enacted by the General Assembly of the State of Iowa:

SECTION 1. Repairs. That section one thousand nine hundred and forty-six (1946) of the code be and the same is hereby amended by adding to said section the following:

"In order to prevent or repair a break in any levee in time of high water, any member of the board of supervisors may at once employ the necessary labor to repair the levee or prevent a break thereof, and the necessary and reasonable expense therefor shall be audited by the board of supervisors and paid from the levee fund."

SEC. 2. Diversion to private use a nuisance. That section one thousand nine hundred and forty-eight (1948) of the code be amended by inserting after the word "authority" in the seventh line thereof the words "or obstructing or in any manner diverting any part of the site thereof to private use".

SEC. 3. Public highways along or upon levees. That section one thousand nine hundred and fifty-one (1951) of the code be and the same is hereby amended by adding thereto the words:

"The board of supervisors shall have power to establish public highways along and upon any levee built under the provisions of this chapter, provided that when so used the same shall be worked as other highways and so as to at all times maintain its condition as a levee."

Approved April 7, 1902.