

6 supplement to the code, 1913, (compiled code sec. 5237), with ref-
7 erence to interurbans being street railways within cities and towns.

1 SEC. 4. **Limitation on act.** This act shall not affect prior ex-
2 isting contracts between any such steam and interurban railroads
3 as between themselves.

1 SEC. 5. **Publication clause.** This act being deemed of immedi-
2 ate importance shall take effect and be in force from and after its
3 passage and publication in the Des Moines Tribune and the Des
4 Moines Capital, newspapers published in the city of Des Moines,
5 Iowa.

Approved March 11, A. D. 1921.

I hereby certify that the foregoing act was published in the Des Moines Tribune and
the Des Moines Capital, March 12, 1921.

W. C. RAMSAY, *Secretary of State.*

CHAPTER 35

CHATTEL LOANS

H. F. 436.

AN ACT to license and regulate the business of making loans in sums of three hun-
dred dollars (\$300) or less, secured or unsecured, at a greater rate of interest
than eight per centum per annum, prescribing the rate of interest and charge
therefor, and penalties for the violation thereof, and regulating the assignment
of wages or salaries, earned or to be earned, when given as security for any such
loan, and to amend the law as it appears in section three thousand forty-one-a
(3041-a), supplemental supplement to the code, 1915, (C. C. Sec. 5893).

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

1 SECTION 1. **License required.** That no person, copartnership,
2 or corporation shall engage in the business of making loans of money,
3 credit, goods, or things in action in the amount, or to the value of
4 three hundred dollars (\$300), or less, and charge, contract for, or
5 receive a greater rate of interest than eight per centum per annum
6 therefor, except as authorized by this act and without first obtain-
7 ing a license from the superintendent of banking, hereinafter called
8 the licensing official.

1 SEC. 2. **Application—fee.** Application for such license shall be
2 in writing and shall contain the full name and address, both of the
3 residence and place of business, of the applicant, and if the applicant
4 is a copartnership, of every member thereof, or if a corporation, of
5 each officer thereof; also the county and municipality, with street
6 and number, if any, where the business is to be conducted. Every
7 such applicant at the time of making such application, shall pay
8 to the licensing official the sum of one hundred dollars (\$100) as an
9 annual license fee and in full payment of all expenses of examina-
10 tions under, and administration of this act; provided that if the
11 license is issued for a period of less than twelve months the license
12 fee shall be prorated according to the number of months that said
13 license shall run.

1 **SEC. 3. Bond.** The applicant shall also, at the same time, file
2 with the licensing official a bond in which the applicant shall be the
3 obligor, in the sum of one thousand dollars (\$1000) with one or more
4 sureties, (whose liability as such sureties, in the aggregate, shall
5 not exceed one thousand dollars (\$1000)), to be approved by the licens-
6 ing official which bond shall run to the state of Iowa for the use of
7 the state and of any person, or persons who may have a cause of
8 action against the obligor of said bond under the provisions of this
9 act. Such bond shall be conditioned that said obligor will conform
10 to and abide by each and every provision of this act and will pay
11 to the state and to any such person or persons, any and all moneys
12 that may become due or owing to the state and to such person, or per-
13 sons, from said obligor, under and by virtue of the provisions of
14 this act.

1 **SEC. 4. Issuance of license.** Upon the filing of such appli-
2 cation and the approval of said bond and the payment of said fee,
3 the licensing official shall issue a license to the applicant to make
4 loans in accordance with the provisions of this act for a period
5 which shall expire the first day of January next following the date
6 of its issuance. Such license shall not be assignable.

1 **SEC. 5. Inadequate bond.** If in the opinion of the licensing of-
2 ficial the bond shall at any time appear to be insecure, or exhausted,
3 or otherwise doubtful, an additional bond in the sum of not more
4 than one thousand dollars (\$1000) satisfactory to the licensing of-
5 ficial shall be filed within ten (10) days after notice to the licensee
6 and upon failure of the obligor to file such additional bond, the
7 license shall be revoked by the licensing official.

1 **SEC. 6. Revocation of license.** The licensing official may, upon
2 notice to the licensee and reasonable opportunity to be heard, revoke
3 such license if the licensee has violated any provision of this act;
4 and in case the licensee shall be convicted by a court a second time
5 of a violation of section thirteen (13) of this act the licensing of-
6 ficial shall revoke such license; provided that the second offense
7 shall have occurred after a prior conviction, in which case another
8 license shall not be issued to such licensee, nor to the husband or wife
9 of the licensee, nor to any copartnership or corporation of which
10 he is a member or officer.

1 **SEC. 7. Posting of license.** The license shall be kept conspicu-
2 ously posted in the place of business of the licensee.

1 **SEC. 8. Manner of making loans—duplicate license.** No per-
2 son, copartnership, or corporation so licensed shall make any loan
3 provided for by this act, under any other name, or at any other place
4 of business, than that named in the license. Not more than one
5 place of business shall be maintained under the same license, but
6 the licensing official shall issue more than one license to the same
7 licensee upon the payment of an additional license fee and the filing
8 of an additional bond for each license.

1 **SEC. 9. Change of residence of licensee.** Whenever the licensee
2 shall change his place of business, he shall at once give written notice
3 thereof to the licensing official who shall attach to the license his ap-
4 proval in writing of the change.

1 **SEC. 10. Examinations.** The licensing official for the purpose of
 2 discovering violations of this act, may either personally, or by any
 3 person designated by him, at any time and as often as he may de-
 4 sire, investigate the loans and business of every licensee and of
 5 every person, copartnership, and corporation by whom or which,
 6 any such loan shall be made, whether such person, copartnership,
 7 or corporation shall act, or claim to act as principal, agent, or broker,
 8 or under, or without the authority of this act; and for that purpose
 9 he shall have free access to the office or place of business, books,
 10 papers, records, safes and vaults of all such persons, copartnerships
 11 and corporations; he shall also have authority to examine, under
 12 oath, all persons whomsoever, whose testimony he may require,
 13 relative to such loans, or business.

1 **SEC. 11. Bookkeeping.** The licensee shall keep such books and
 2 records in his place of business as in the opinion of the licensing
 3 official will enable the licensing official to determine whether the
 4 provisions of this act are being observed. Every such licensee shall
 5 preserve the records of final entry used in such business, including
 6 cards used in the card system, if any, for a period of at least two
 7 years after the making of any loan recorded therein.

1 **SEC. 12. False advertisements.** No licensee, or other person, co-
 2 partnership or corporation, shall print, publish, or distribute, or
 3 cause to be printed, published, or distributed in any manner what-
 4 soever, any written, or printed statement with regard to the rates,
 5 terms or conditions for the lending of money, credit, goods, or things
 6 in action, in amounts of three hundred dollars (\$300) or less, which
 7 is false, or calculated to deceive.

SEC. 13. Interest rate—additional charges—limitation on loan.

1 Every person, copartnership and corporation licensed hereunder
 2 may loan any sum of money not exceeding in amount the sum of
 3 three hundred dollars (\$300) and may charge, contract for and re-
 4 ceive thereon interest at a rate not to exceed three and one-half
 5 (3½) per centum per month.

6 Interest shall not be payable in advance, or compounded and shall
 7 be computed on unpaid balances. In addition to the interest herein
 8 provided for, no further or other charge, or amount whatsoever for
 9 any examination, service, brokerage, commission, or other thing, or
 10 otherwise, shall be directly, or indirectly charged, contracted for,
 11 or received, except the lawful fees, if any, actually and necessarily
 12 paid out by the licensee to any public officer, for filing, or recording
 13 in any public office, any instrument securing the loan, which fees
 14 may be collected when the loan is made, or at any time thereafter.

15 If interest, or charges in excess of those permitted by this act
 16 shall be charged, contracted for, or received, the contract of loan
 17 shall be void and the licensee shall have no right to collect, or re-
 18 ceive any principal, interest or charges whatsoever.

19 No person shall owe any licensee, as such, at any time more than
 20 three hundred dollars (\$300) for principal.

1 **SEC. 14. Duty of licensee.** Every licensee shall:

2 Deliver to the borrower, at the time a loan is made, a statement
 3 in the English language showing in clear and distinct terms the
 4 amount and date of the loan and of its maturity, the nature of the

5 security, if any, for the loan, the name and address of the borrower
6 and of the licensee and the rate of interest charged. Upon such state-
7 ment there shall be printed in English a copy of section thirteen (13)
8 of this act;

9 Give to the borrower a plain and complete receipt for all payments
10 made on account of any such loan at the time such payments are
11 made;

12 Upon repayment of the loan in full, mark indelibly every paper
13 signed by the borrower with the word "paid" or "cancelled", and
14 release any mortgage, restore any pledge, cancel and return any
15 note and cancel and return any assignment given by the borrower as
16 security.

1 SEC. 15. Confession of judgment—amount of loan. No licensee
2 shall take any confession of judgment, or any power of attorney in
3 relation to any such loan. Nor shall he take any note, promise to
4 pay, or security that does not state the actual amount of the loan,
5 the time for which it is made and the rate of interest charged, nor
6 shall he take any instrument in which blanks are left to be filled
7 after execution.

1 SEC. 16. Assignments—exempt property. No assignment of or
2 order for the payment of any salary, wages, commissions or other
3 compensation for services, earned or to be earned, given to secure
4 any such loan shall be valid unless such loan is contracted simultane-
5 ously with its execution; nor shall any such assignment, or order, or
6 any chattel mortgage or other lien on household furniture then in
7 the possession and use of the borrower be valid unless in writing
8 signed and acknowledged in person by the borrower; nor, if the bor-
9 rower is married, unless signed and acknowledged in person by both
10 husband and wife.

11 Under any such assignment or order for the payment of future
12 salary, wages, commissions, or other compensation for services, given
13 as security for a loan made under this act, a sum not exceeding ten
14 (10) per centum of the borrower's salary, wages, commissions, or
15 other compensation for services, shall be collectible therefrom by
16 the licensee at the time of each payment of salary, wages, commissions,
17 or other compensation for services, from the time that a copy of
18 such assignment, verified by the oath of the licensee, or his agent,
19 together with a verified statement of the amount unpaid upon such
20 loan, is served upon the employer.

1 SEC. 17. Illegal rate of interest—evasions. No person, copart-
2 nership, or corporation, except as authorized by this act shall, direct-
3 ly, or indirectly, charge, contract for, or receive any interest, or con-
4 sideration greater than eight per centum per annum upon the loan,
5 use, or forbearance of money, goods, or things in action, or upon the
6 loan, use, or sale of credit, of the amount, or value of three hundred
7 dollars (\$300) or less.

8 The foregoing prohibition shall apply to any person who, as security
9 for any such loan, use or forbearance of money, goods or things in
10 action or for any such loan, use or sale of credit, makes a pretended
11 purchase of property from any person and permits the owner or
12 pledgor to retain the possession thereof, or who, by any device or

13 pretense of charging for his services, or otherwise, seeks to obtain a
14 greater compensation than is authorized by this act.

15 No loan for which a greater rate of interest or charge than is al-
16 lowed by this act has been contracted for or received, wherever made,
17 shall be enforced in this state, and any person in any wise participat-
18 ing therein in this state shall be subject to the provisions of this act.

1 SEC. 18. **Penalty.** Any person, copartnership, or corporation
2 and the several officers and employees thereof who shall violate any
3 of the provisions of sections one (1), eight (8), twelve (12), thir-
4 teen (13), or seventeen (17) of this act shall be guilty of a misde-
5 meanor and upon conviction thereof shall be punished by a fine of
6 not more than five hundred dollars (\$500.00), or by imprisonment
7 of not more than six (6) months, or by both such fine and imprison-
8 ment, in the discretion of the court.

1 SEC. 19. **Scope of act.** This act shall not apply to any existing
2 private bank or bankers doing a general banking business or to
3 any person, copartnership, or corporation doing business under any
4 law of this state, or of the United States relating to banks, trust
5 companies, building and loan associations, or licensed pawnbrokers,
6 nor shall it apply to any domestic corporation entitled to the bene-
7 fits of chapter one hundred fifty-one (151), acts of the thirty-eighth
8 general assembly (C. C. Secs. 4506, 4507, 4508).

1 SEC. 20. **Coordinating amendment.** That section thirty hun-
2 dred forty-one-a (3041-a), supplemental supplement to the code,
3 1915 (C. C. Sec. 5893), be and the same is hereby amended by in-
4 serting therein after the word "money" in the fifth (5) line thereof,
5 the following words: "in the sum or amount of more than three
6 hundred dollars (\$300);". And that said section thirty hundred
7 forty-one-a (3041-a) be further amended by striking out all of said
8 section after the period following the word "law" in line eleven.

1 SEC. 21. **Omnibus repeal.** All acts and parts of acts inconsistent
2 with the provisions of this act are hereby repealed.

Approved March 16, A. D. 1921.

CHAPTER 36

SCHOOLS AND SCHOOL DISTRICTS

S. F. 298.

AN ACT to amend the law as it appears in section twenty-eight hundred and six (2806), supplement to the code, 1913, (C. C. 2650) relating to the certification and levying of school taxes, the issuing of interest bearing school warrants, and providing for their record and payment, and providing for additional meetings of school boards.

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

1 SECTION 1. **Emergency amendment.** That section twenty-eight
2 hundred and six (2806) of the supplement to the code, 1913, be and
3 the same is hereby amended by adding thereto the following: