

20 examiners or employees shall be paid out of current or accumulated
 21 earnings of the banking department, their salaries not to be greater
 22 than those of other similar employees authorized by law. All such
 23 appointees shall be removable at the pleasure of the said superin-
 24 tendent.

That section fifty-seven hundred fifty-two (5752) of the compiled code of Iowa is amended, revised, and codified to read as follows:

1 **SEC. 6. Annual report.** The superintendent of banking shall, at
 2 the time provided by law, make an annual report as to the condition
 3 of every bank from which reports have been received, and may em-
 4 brace in said report such observations and recommendations as he
 5 may deem of value.

1 **SEC. 7. Publication.** This act, being deemed of immediate im-
 2 portance, shall be in full force and effect from and after publication
 3 in the Des Moines Daily News and Plain Talk, newspapers published
 4 in the city of Des Moines, Iowa.

Approved February 15, A. D. 1924.

I hereby certify that the foregoing act was published in the Des Moines News February 19, 1924, and Plain Talk, Des Moines, February 21, 1924.

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

CHAPTER 11

COOPERATIVE ASSOCIATIONS

S. F. 203

AN ACT to amend, revise, and codify sections five thousand three hundred ninety-eight (5398) and five thousand four hundred one (5401) of the compiled code of Iowa, and section five thousand four hundred eight-a one (5408-a1) of the supplement to the compiled code, relating to cooperative associations.

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

That section five thousand three hundred ninety-eight (5398) of the compiled code of Iowa is amended, revised, and codified to read as follows:

1 **SECTION 1. May issue shares.** Whenever an association created
 2 under this chapter shall purchase the business of another association,
 3 person, or persons, it may pay for the same in whole or in part by
 4 issuing to the selling association or person shares of its capital stock
 5 to an amount, which at fair market value as determined by the execu-
 6 tive council, would equal the fair market value of the business so
 7 purchased as determined by the executive council as in cases of other
 8 corporations.

That section five thousand four hundred one (5401) of the compiled code of Iowa is amended, revised, and codified to read as follows:

1 **SEC. 2. Reserve fund out of profits.** The board of directors, sub-
 2 ject to revision by the association at any general or special meeting,
 3 shall each year set aside not less than ten per cent (10%) of the net
 4 profits for a reserve fund, until an amount has accumulated therein
 5 equal to fifty per cent (50%) of the paid up capital stock.

1 SEC. 3. **Educational fund—dividends on stock.** The board may
2 each year, out of remaining net profits, subject to the approval of the
3 association at any general or special meeting:

4 1. Provide an educational fund to be used in teaching coopera-
5 tion, not exceeding five per cent (5%) of the net profits, and

6 2. Declare and pay a dividend on the stock, not exceeding ten
7 per cent (10%).

1 SEC. 4. **Remainder distributed to shareholders and employees.** The
2 remainder of said net profits shall be distributed by uniform dividends
3 upon the amount of purchases of shareholders, and upon the wages
4 and salaries of employees. In producing associations, such as cream-
5 eries, canneries, elevators, factories, and the like, dividends shall be
6 on raw material delivered instead of on goods purchased. In case the
7 association is both a selling and a producing concern, the dividends
8 may be on both raw material delivered and goods purchased by pa-
9 trons.

That section five thousand four hundred eight-a one (5408-a1) of the supplement to the compiled code is amended, revised and codified to read as follows:

1 SEC. 5. **Organization.** Any number of persons, not less than five,
2 may associate themselves as a cooperative association, without capi-
3 tal stock, for the purpose of conducting any agricultural, live stock,
4 horticultural, dairy, mercantile, mining, manufacturing or mechanical
5 business, or the constructing and operating of telephone and high
6 tension electric transmission lines on the cooperative plan and of
7 acting as a cooperative selling agency for its members.

1 SEC. 6. **Publication clause.** This act being deemed of immediate
2 importance shall be in full force and effect after publication in the
3 Des Moines Capital and the Iowa Forum, newspapers published in
4 the city of Des Moines, Iowa.

Approved March 31, A. D. 1924.

I hereby certify that the foregoing act was published in the Iowa Forum April 2, 1924, and the Des Moines Capital April 3, 1924.

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

CHAPTER 12

POLICEMEN'S AND FIREMEN'S PENSION FUNDS

H. F. 296

AN ACT to amend, revise and codify section one (1) of chapter 261, acts of the fortieth general assembly, relating to municipal corporations.

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

That section one (1) of Chapter 261 Acts of the Fortieth General Assembly of the State of Iowa is amended, revised and codified to read as follows:

1 SECTION 1. **Tax for policemen's and firemen's pension funds.** Any
2 city or town having an organized fire department may, and all cities
3 having an organized police department or a paid fire department shall