

## A BILL

FOR AN ACT TO REGULATE THE BUSINESS OF BANKING, AMENDATORY OF  
TITLE XI OF THE CODE.

SECTION 1. *Be it enacted by the General Assembly of the State of Iowa,* No association shall  
2 be organized under the provisions of chapter 1, title IX of the Code, for the purpose of trans-  
3 acting a banking business, receiving money on deposit, loaning money, or buying and selling  
4 bullion, bills of exchange, notes, bonds, stocks, or other evidences of indebtedness, with a  
5 view to profit, with a less amount of paid-up capital than fifty thousand dollars, except in  
6 cities or towns having a population not exceeding three thousand, when such association may  
7 be organized with a paid-up capital of not less than twenty-five thousand dollars. And no  
8 bank shall be incorporated under the general incorporation law in future unless the share-  
9 holders in such bank shall be liable for twice the amount of stock they have subscribed for or  
10 hold in such bank. And no such association shall have the right to commence business until  
11 its officers elect, or its stockholders, shall have furnished to the treasurer of state a sworn  
12 statement of the paid-up capital thereof. When the treasurer of state shall be satisfied that  
13 the required amount of capital has been paid in, and that such association has been incorpo-  
14 rated according to law, he shall issue to such association a certificate authorizing it to com-  
15 mence business, a copy of which certificate shall be published in the same manner as is  
16 provided herein for the publication of the reports of such banks.

SEC. 2. Every such association shall make a full, clear and accurate statement of the con-  
2 dition of their business, to be verified by the oath of the president or vice-president or cashier  
3 of such association, which statement shall contain---

4 *First*—The amount of capital stock actually paid in.

5 *Second*—The amount of debts of every kind due to banks, bankers or other persons other  
6 than regular deposits.

7 *Third*—The total amount due depositors, including sight and time deposits.

8 *Fourth*—The amount subject to be drawn at sight then remaining on deposit with  
9 solvent banks or bankers of the country, specifying each city and town, and the amount  
10 deposited in each and belonging to such association.

11 *Fifth*—The amount of gold and silver coin and bullion belonging to such association at  
12 the time of making statement.

13 *Sixth*—The amount on hand of bills of solvent banks.

14 *Seventh*—The amount of bills, bonds and other evidences of debt, discounted or pur-  
15 chased by such association, and then belonging to the same, specifying particularly the  
16 amount of suspended debts, the amount considered good, the amount considered doubtful,  
17 and the amount in suit or judgment.

18 *Eighth*—The value of real or personal property held for the convenience of such asso-  
19 ciation, specifying the amount of each.

20 *Ninth*—The amount of undivided profits, if any, then on hand.

21 *Tenth*—The total amount of all liabilities to such association on the part of the directors  
22 thereof.

23 The treasurer of state may require schedules of such items covered by the statements as  
24 he may deem proper and necessary for a full and clear understanding of the financial condi-  
25 tion of such associations, banks and bankers; which statement shall be forthwith transmitted  
26 to the treasurer of state and be by him filed in his office.

SEC. 3. The report contemplated in the preceding section shall be made whenever called  
2 for by the treasurer of state, which call shall be made as often as four times a year, and such  
3 report shall show the condition of such bank on some day, to be designated by the treasurer  
4 of state, that is past when such call is made. The treasurer of state shall cause such report to  
5 be published once in some daily newspaper published in the county where such bank shall be  
6 located, or, if there be no such newspaper published in the county, then such report shall be  
7 published in some weekly newspaper printed in such county, for one week; and the expenses  
8 of such publication shall be paid by such bank: *provided*, that if there be a newspaper pub-  
9 lished in the city or town wherein such bank is situated, such report shall be published in  
10 such newspaper.

SEC. 4. The treasurer of state shall make, or cause to be made, an examination of the  
2 condition of all banks organized under the laws of the state, except national banks, doing  
3 business in this state, at least once every year, such bank paying therefor the sum of twenty  
4 dollars, which shall be paid into the state treasury: and the treasurer of state shall make, or  
5 cause to be made, additional examinations of such banks whenever in his judgment it shall  
6 be demanded: *provided*, that no bank shall be required to pay more than twenty dollars in  
7 any one year for such examinations. The bills for expenses in conducting such examinations  
8 shall be sworn to by the person incurring them, and be subject to the approval of the execu-

9 tive council, which body shall also fix the per diem of examiners, when the examination is  
10 not conducted by the treasurer of state or his deputy.

SEC. 5. If the treasurer of state is satisfied, from examination or reports, that any bank  
2 incorporated under the state law is insolvent, he shall notify the attorney-general to com-  
3 mence the proper proceedings to have a receiver appointed and the affairs of said bank  
4 wound up, and the assets thereof ratably distributed among the creditors, preference being  
5 given in payment to depositors.

SEC. 6. Any willful failure or neglect on the part of the proper officers of any banking  
2 association to comply with the provisions of this chapter shall be regarded as a forfeiture of  
3 all the rights and privileges of such association, and steps shall be taken, as directed in sec-  
4 tion 5 hereof, by the attorney-general for the appointment of a receiver and the winding up  
5 of its affairs.

SEC. 7. In case any banking association shall fail to comply with the requirements of this  
2 act, it shall be liable to be mulcted in a sum not less than one thousand dollars; and the  
3 president of such bank thus delinquent shall be deemed guilty of a felony, and upon convic-  
4 tion shall be fined not less than one hundred nor more than one thousand dollars, or impris-  
5 oned in the penitentiary not less than three months nor more than three years.

SEC. 8. Every banker, president, director, cashier, teller, clerk or agent of any bank who  
2 shall embezzle, abstract, appropriate or willfully misapply any of the moneys, funds or cred-  
3 its of such bank, or shall fraudulently issue or put forth any certificate of deposit, draw an  
4 order or bill of exchange, make any acceptance, sign any note, bond, draft, bill of exchange,  
5 mortgage or other instrument of writing, or shall make any false entry on any book, report  
6 or statement of the bank with intent in either case to injure or defraud such bank, or to  
7 injure or defraud any other company, body corporate or politic, or any individual person, or  
8 to deceive any officer or agent appointed to inspect the affairs of any bank, or shall receive  
9 deposits, or create debts, knowing the bank to be insolvent or in failing condition, shall be  
10 deemed guilty of felony, and upon conviction thereof, shall be punished by imprisonment in  
11 the state penitentiary for a term not to exceed ten years, or imprisonment in the county jail  
12 not to exceed one year, or by both fine and imprisonment, the fine not to exceed ten thousand  
13 dollars.

SEC. 9. Chapter nine of title eleven of the Code, is hereby repealed.