

Senate File No 271

SENATOR WOOLSON, from the Committee on Judiciary, submitted the following report:

MR. PRESIDENT:

Your Committee on Judiciary, having had under consideration the subject of attorney's fees in contracts, in connection with several bills on that subject, have instructed me to report the accompanying bill to the senate, with the recommendation that it do pass.

JOHN S. WOOLSON, *Chairman.*

SENATE JUDICIARY COMMITTEE'S BILL.]

A BILL

[Com. on Judiciary]

FOR AN ACT TO REGULATE AND LIMIT THE AMOUNT OF ATTORNEY'S FEES THAT MAY BE TAXED IN SUITS ON WRITTEN CONTRACTS STIPULATING FOR ATTORNEY'S FEES IN CERTAIN CASES.

SECTION 1. *Be it enacted by the General Assembly of the State of Iowa,* In any action upon a written contract for the payment of money, made after the taking effect of this act, in which it is an agreement to pay an attorney's or collection fee, no greater recovery for attorney's fee shall be had against the maker of such contract than is provided for in section two hereof, anything in said contract contained to the contrary notwithstanding.

SEC. 2. When judgment is recovered on a written contract, made after the taking effect of this act, containing an agreement to pay an attorney's fee, there shall be an attorney's fee allowed by the court and taxed as a part of the costs, except as provided in sections three and four hereof; but in no case shall the amount allowed be greater than the following, to wit: For the first two hundred dollars or fraction thereof, ten per cent of the amount found due. For the excess of two hundred dollars, up to five hundred dollars, five per cent. For the excess of five hundred dollars, up to one thousand dollars, three per cent. For all in excess of one thousand dollars, one per cent.

SEC. 3. Before any allowance of attorney's fee shall be made by the court, the court shall be fully satisfied by affidavit of the attorney engaged in the cause, which affidavit shall be filed with the original papers, that there has been and is no agreement, express or implied, between the attorney and his client, or between the attorney and any other person, except a practicing attorney engaged with him as attorney in the cause, for any division or sharing of

6 the fee to be taxed; and no fee shall be taxed except in favor of a regular attorney, and
7 compensation for services actually rendered in the cause.

SEC. 4. Before any attorney's fee shall be allowed by the court, the court shall be ful
2 satisfied that the defendant, if he be a resident of the county and the suit is not aided by
3 attachment, had information of the whereabouts of the contract, and had a reasonable o
4 portunity to pay the same before suit was brought. But this provision shall not apply wh
5 the contract is by its terms payable at a particular place, and the maker of the contract h
6 not tendered the money due at the place named in the contract.