

Reported Recommending
Ind. Postponed
Passed House
Failed to Pass House
Passed Senate
Failed to Pass Senate

House File 159

January 30, 1947.
Judiciary 1.

By NIELSEN, BURKMAN.

A BILL FOR

An Act relating to bank records and files, the admissibility as evidence of entries therein or a photostatic or photographic reproduction thereof and limiting the time for bringing actions on claims arising therefrom.

Be It Enacted by the General Assembly of the State of Iowa:

1 Section 1. Banks shall not be required to preserve or keep
2 their records or files for a longer period than eleven (11)
3 years next after the first day of January of the year following
4 the time of the making or filing of such records or files;
5 provided, however, that ledger sheets showing unpaid balances
6 in favor of depositors of such banks shall not be destroyed.

1 Sec. 2. No liability shall accrue against any bank destroy-
2 ing any such records after the expiration of the time provided
3 in Section one (1), and in any cause or proceedings in which
4 any such records or files may be called in question or be demanded
5 of the bank or any officer or employee thereof, a showing that
6 such records or files have been destroyed in accordance with
7 the terms of this act shall be a sufficient excuse for the
8 failure to produce them.

1 Sec. 3. Any writing or record, or a photostatic or photo-
2 graphic reproduction thereof, of any bank whether in the form

3 of an entry in a book or otherwise, made as a memorandum or
 4 record of any act, transaction, occurrence or event, shall be
 5 admissible in evidence in proof of said act, transaction,
 6 occurrence or event, if made in the regular course of business.

1 Sec. 4. All causes of action against a bank based upon
 2 a claim or claims inconsistent with an entry or entries in
 3 any bank record or ledger, made in the regular course of
 4 business, shall be deemed to have accrued, and shall accrue,
 5 one year after the date of such entry or entries; and no
 6 action founded upon such a cause may be brought after the
 7 expiration of ten (10) years from the date of such accrual.
 8 Any such existing cause of action may be commenced in any
 9 court of competent jurisdiction within one (1) year after the
 10 effective date of this Act.

1 Sec. 5. The provisions of this act, so far as applicable,
 2 shall apply to the records of national banks.

1 Sec. 6. This Act being deemed of immediate importance
 2 shall be in full force and effect after publication in the
 3 _____, a newspaper published at
 4 _____, Iowa, and the _____,
 5 a newspaper published at _____, Iowa.

EXPLANATION OF H. F. 159

This bill (a) fixes a minimum period for the retention of bank files and records at eleven years, (b) requires the permanent retention by banks of all unpaid deposit ledger sheets, (c) makes available as evidence entries in bank records and files and photostatic or photographic reproductions thereof, and (d) provides a statute of limitations of eleven years for claims arising therefrom.

Sections one and two of the bill are identical with the statutes of Mississippi with the exception, (a) the period of time in the Mississippi bill is ten years, whereas in the bill it is fixed at eleven years—the reason for the change being to insure the full period of the Iowa statute of limitations of ten years after the expiration of one year for the accrual as provided in section four of the bill, (b) the words “time of the

making or filing" are used in the fourth line of section one of the bill instead of the word "date" as used in the Mississippi statute.

Section three of the bill is identical with the Maryland statute on the same subject and in substance is the same as similar statutes of other states.

Section four of the bill provides a statute of limitations of eleven years or one year more than the general statute of limitations of Iowa relating to written instruments.

The purposes of the bill are (a) to relieve banks from the necessity of retaining, throughout unlimited years, dead files and records, thus relieving them from unnecessary expense for storage, maintenance and care, (b) to protect customers by fixing a minimum period of eleven years during which time the bank must retain all records and files, (c) to protect depositors by requiring banks to permanently retain unpaid deposit ledger sheets, (d) to simplify the production of bank records and files as evidence in legal proceedings and (e) to provide a period of eleven years during which causes of action may be brought on claims arising from such records and files.

Similar statutes relating to the time of retention of bank records and files fix minimum periods as follows:

Ohio (Page, Code Anno. 1937 Section 710-118), 6 years.

Missouri (Revised Stat. 1929 Section 5391), 6 years.

West Virginia (Code Anno. 1937 Section 3189), 6 years.

Mississippi (Chapter 258 laws 1944), 10 years.

New York (Section 128 banking law 1937), 6 years.

Pennsylvania (Section 321(a), Title 7, Stat. Anno.) (as amended May 25, 1939),

7 years.

Texas (Title 16, Art. 342-113 Vernon, Supp. 1943), 10 years.

Compare with the period fixed in the bill of eleven years.

Similar statutes, fixing a statute of limitations for actions arising upon bank statements account, fix such period as follows:

Alabama (Laws of 1943, No. 128, p. 131), 5 years.

Florida (Laws of 1943, chap. 22035, p. 781), 3 years.

Idaho (Laws of 1943, chap. 28, p. 56), 3 years.

Louisiana (Gen. Stat., Dart. Cum. Supp., 673.4, 673.5), 5 years.

Texas (Stat., Vernon, 1943 Supp., Title 16, Art. 342-707), 5 years.

Connecticut (Gen. Stat., 1939 Supp., chap. 206, sec. 1210s), 7 years.

Indiana (5 Stat. Ann., Burns, 1941 Pocket Supp., sec. 182001(d)), 6 years.

New Mexico (Laws 1941, chap. 35), 5 years.

North Carolina (Code Anno., 1939, secs. 220(ee), 220(ff)), 5 years.

Oklahoma (Stat. Anno., perm. ed., Picket Supp., Title 6, sec. 118s), 5 years.

Utah (Rev. Stat. Anno. 1933 sec. 7-3-54), 6 months.

Compare with the period fixed in this bill of eleven years.

The purposes of the bill are approved and recommended by the American Bankers Association and the Iowa Bankers Association. The reason for such approval and recommendation being set forth in this explanation.