

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

Senate File 92

January 23, 1947.
Passed on File.

By **BANKS, BUILDING AND
LOAN COMMITTEE.**

A BILL FOR

An Act relating to trusts and the management, control and investment of trust property by trustees.

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

1 Section 1. This Act shall apply to trust companies,
2 state and savings banks and national banks qualified under the
3 provisions of Chapter five hundred thirty-two (532), Code
4 1946, and to individual trustees appointed in any trust
5 instrument or by a court of competent jurisdiction.

1 Sec. 2. In acquiring, investing, reinvesting, exchanging,
2 retaining, selling and managing property for any trust here-
3 tofore or hereafter created, the trustee thereof shall exercise
4 the judgment and care under the circumstances then prevailing,
5 which men of prudence, discretion and intelligence exercise
6 in the management of their own affairs, not in regard to
7 speculation but in regard to the permanent disposition of
8 their funds, considering the probable income as well as the
9 probable safety of their capital. Within the limitations
10 of the foregoing standard, the trustee is authorized to
11 acquire and retain every kind of property real, personal or
12 mixed, and every kind of investment, including specifically

13 but without in any way limiting the generality of the foregoing,
14 bonds, debentures and other corporate obligations and stocks,
15 preferred or common, and real estate mortgages which men of
16 prudence, discretion and intelligence acquire or retain for
17 their own account, and within the limitations of the foregoing
18 standard, the trustee is authorized to retain property
19 properly acquired, without limitation as to time and without
20 regard to its suitability for original purchase.

1 Sec. 3. Nothing contained in the foregoing section
2 shall be construed as authorizing or requiring any departure
3 from, or variation of, the express terms or limitations
4 set forth in any will, agreement, court order or other
5 instrument creating or defining the trustee's duties and
6 powers, but the terms "legal investment" or "authorized
7 investment" or words of similar import, as used in any such
8 instrument, shall be taken to mean any investment which is
9 permitted by the terms of Section two (2) hereof.

1 Sec. 4. Nothing contained in Section three (3) of this Act
2 shall be construed as restricting the power of a court of
3 competent jurisdiction to permit a trustee to deviate from the
4 terms of any will, agreement, or other instrument relating to the
5 acquisition, investment, reinvestment, exchange, retention,
6 sale or management of trust property.

1 Sec. 5. The word "trust", as used in the foregoing
2 sections, means a trust created by will, deed, agreement,
3 declaration, written instrument, or in any lawful manner.

4 The word "trustee" means the trustee, or any successor
5 trustee, of any such trust, whether appointed by the
6 instrument creating the trust, by order of court, or otherwise.

1 Sec. 6. Section six hundred eighty-two point twenty-three
2 (682.23), Code 1946, is hereby amended by adding in line two (2)
3 after the word "fiduciaries" the words ", except trustees," and by
4 striking from line eight (8) the words "a trustee,".

1 Sec. 7. 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.
6 Said publication shall be without expense to the State of Iowa.