

## CHAPTER 217.

## INDUSTRIAL SCHOOL.

H. F. 371.

AN ACT to amend the law as it appears in section twenty-seven hundred thirteen (2713), supplement to the code, 1913, relating to the support for the Industrial School for Boys at Eldora.

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

1 SECTION 1. Support fund. That the law as it appears in section  
2 twenty-seven hundred thirteen (2713), supplement to the code, 1913,  
3 be and the same is hereby amended by striking out the word "thir-  
4 teen" in line six of said section and substituting in lieu thereof the  
5 word "fourteen."

1 SEC. 2. Support fund. Amend section twenty-seven hundred thir-  
2 teen (2713), supplement to the code, 1913, by striking out the words  
3 "sixty-two hundred forty" in line fourteen of said section and in-  
4 serting in lieu thereof the words "sixty-eight hundred".

1 SEC. 3. Publication clause. This act, being deemed of immediate  
2 importance, shall take effect and be in force from and after its pub-  
3 lication in the Des Moines News, a newspaper published in Des  
4 Moines, Iowa, and the Cedar Rapids Republican, a newspaper pub-  
5 lished in Cedar Rapids, Iowa.

Approved April 16, A. D. 1915.

I hereby certify that the foregoing act was published in the Des Moines News April 21, 1915 and in the Cedar Rapids Republican April 22, 1915.

W. S. ALLEN, *Secretary of State.*

## CHAPTER 218.

## CO-OPERATIVE AGRICULTURAL, DAIRY, ETC., ASSOCIATIONS.

H. F. 367.

AN ACT to provide for the incorporation of co-operative associations, for the purpose of conducting any agricultural, dairy, mercantile, mining, manufacturing or mechanical business on the co-operative plan, and prescribing the terms and conditions on which such associations shall be permitted to do business within this state.

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

1 SECTION 1. Co-operative plan authorized. Any number of per-  
2 sons, not less than five (5), may associate themselves as a co-operative  
3 association, society, company or exchange, for the purpose of conduct-  
4 ing any agricultural, dairy, mercantile, mining, manufacturing or

5 mechanical business on the co-operative plan. For the purposes of  
6 this act, the words "association," "company," "corporation," "ex-  
7 change," "society," or "union," shall be construed to mean the same.

1 SEC. 2. **Articles of incorporation.** They shall sign and acknowl-  
2 edge written articles which shall contain the name of said association  
3 and the names and residences of the persons forming the same. Such  
4 articles shall also contain a statement of the purposes of the associa-  
5 tion, and shall designate the city, town or village where its principal  
6 place of business shall be located. Such articles shall also state the  
7 amount of capital stock, the number of shares, and the par value of  
8 each.

1 SEC. 3. **Filing articles—certificate.** The original articles of  
2 incorporation of associations organized under this act, or a true copy  
3 thereof, verified as such by the affidavits of two of the signers there-  
4 of, shall be filed with the secretary of state. A like verified copy of  
5 such articles and certificates of the secretary of state, showing the date  
6 when such articles were filed with and accepted by the secretary of  
7 state, shall, within thirty (30) days of such filing and acceptance, be  
8 filed and recorded with the recorder of deeds of the county in which  
9 the principal place of business of the corporation is to be located, and  
10 no corporation shall have legal existence until such articles be left for  
11 record. The recorder shall forthwith transmit to the secretary of  
12 state a certificate stating the time when such copy was recorded. Upon  
13 receipt of such certificate, the secretary of state shall issue a certificate  
14 of incorporation.

1 SEC. 4. **Recording—fee.** For filing the articles of incorporation  
2 of associations organized under this act, there shall be paid to the  
3 secretary of state ten dollars (\$10.00), and for the filing of an amend-  
4 ment to such articles, five dollars (\$5.00); provided, that when the  
5 capital stock of such corporation shall be less than five hundred dollars  
6 (\$500.00), such fee for filing either the articles or\* incorporation  
7 or amendments thereto shall be one dollar. For recording copy of  
8 such articles, the recorder of deeds shall receive the usual fee for  
9 recording.

1 SEC. 5. **Directors—election—removal—officers.** Every such as-  
2 sociation shall be managed by a board of not less than five directors,  
3 who shall be elected by and from the stockholders at such time and for  
4 such term of office as the by-laws may prescribe, and shall hold office  
5 for the time for which elected and until their successors are elected  
6 and qualify; but a majority of the stockholders shall have the power  
7 at any regular or special stockholders' meeting, legally called, to re-  
8 move any director or officer for cause, and fill the vacancy, and there-  
9 upon the director or officer so removed, shall cease to be a director  
10 or officer of said corporation. The officers of every such association  
11 shall be a president, one or more vice-presidents, a secretary and a  
12 treasurer, who shall be elected annually by the directors, and each of  
13 said officers must be a director of the association. The offices of secre-  
14 tary and treasurer may be combined, and when so combined the per-  
15 son filling the office shall be secretary-treasurer.

[\*The word "of" is evidently intended.]

1     **SEC. 6. Amending articles.** The association may amend its ar-  
2 ticles of incorporation by a majority vote of its stockholders at any  
3 regular stockholders' meeting, or at any special stockholders' meet-  
4 ing called for that purpose, on ten (10) days notice to all stockholders.  
5 Said power to amend shall include the power to increase or diminish  
6 the amount of capital stock and the number of shares. Provided, the  
7 amount of the capital stock shall not be diminished below the amount  
8 of paid-up capital at the time the amendment is adopted. Within  
9 thirty (30) days after the adoption of an amendment to its articles  
10 of incorporation, an association shall cause a copy of such amendment  
11 adopted to be recorded in the office of the secretary of state and of  
12 the recorder of deeds of the county where its principal place of busi-  
13 ness is located.

1     **SEC. 7. Powers.** An association created under this act shall have  
2 power to conduct any agricultural, dairy, mercantile, mining, manu-  
3 facturing or mechanical business, on the co-operative plan, and may  
4 buy, sell and deal in the products of any other co-operative company  
5 heretofore or hereafter organized under the provisions of this act.

1     **SEC. 8. Shares.** No stockholder in any such association shall own  
2 shares of a greater aggregate par value than one thousand dollars  
3 (\$1,000.00), except as hereinafter provided, nor shall he be entitled  
4 to more than one vote.

1     **SEC. 9. Shares in like associations.** At any regular meeting, or  
2 any regularly called special meeting, at which at least a majority of  
3 all its stockholders shall be present, or represented, an association or-  
4 ganized under this act, may by a majority vote of the stockholders  
5 present or represented, subscribe for shares and invest its reserve  
6 fund, not to exceed twenty-five per cent (25%) of its capital, in the  
7 capital stock of any other co-operative association.

1     **SEC. 10. May issue its own shares in payment.** Whenever an  
2 association created under this act shall purchase the business of  
3 another association, person or persons, it may pay for the same in  
4 whole or in part by issuing to the selling association or person shares  
5 of its capital stock to an amount, which at par value would equal the  
6 fair market value of the business so purchased, and in such case the  
7 transfer to the association of such business at such valuation shall be  
8 equivalent to payment in cash for the shares of stock so issued.

1     **SEC. 11. Acting as trustee—fully paid stock.** In case the cash  
2 value of such purchased business exceeds one thousand dollars  
3 (\$1,000.00), the directors of the association are authorized to hold  
4 the shares in excess of one thousand dollars (\$1,000.00) in trust for  
5 the vendor, and dispose of the same to such persons, and within such  
6 times, as may be mutually satisfactory to the parties in interest, and to  
7 pay the proceeds thereof as currently received to the former owner of  
8 said business. Certificates of stock shall be issued to any subscriber  
9 until fully paid, but the by-laws of the association may allow sub-  
10 scribers to vote as stockholders; provided, part of the stock subscribed  
11 for has been paid in cash.

1     **SEC. 12. Voting by mail.** At any regularly called general or  
2 special meeting of the stockholders, a written vote received by mail

3 from any absent stockholder, and signed by him, may be read in such  
4 meeting, and shall be equivalent to a vote of each of the stockholders  
5 so signing; provided, he has been previously notified in writing by the  
6 secretary of the exact motion or resolution upon which such vote is  
7 taken, and a copy of same is forwarded with and attached to the vote  
8 so mailed by him.

1     **SEC. 13. Earnings.** The directors, subject to revisions by the as-  
2 sociation at any general or special meeting, shall apportion the earn-  
3 ings by first setting aside not less than ten per cent (10%) of the net  
4 profits for a reserve fund, until an amount has accumulated in said  
5 reserve fund equal to fifty per cent (50%) of the paid-up capital stock,  
6 and five per cent (5%) thereof for an educational fund to be used in  
7 teaching co-operation, and a dividend upon the paid-up capital stock to  
8 be determined by the board of directors not exceeding ten per cent  
9 (10%) and the remainder of said net profits by uniform dividend upon  
10 the amount of purchases of shareholders, and upon the wages and  
11 salaries of employes; but in productive associations such as creameries,  
12 canneries, elevators, factories, and the like, dividends shall be on raw  
13 material delivered instead of on goods purchased. In case the associa-  
14 tion is both a selling and a productive concern, the dividends may be  
15 on both raw material delivered and on goods purchased by patrons.

1     **SEC. 14. Dividends.** The profits or net earnings of such associa-  
2 tions shall be distributed to those entitled thereto, at such times as  
3 the by-laws shall prescribe, which shall be as often as once in twelve  
4 months. If such associations, for five (5) consecutive years, shall fail  
5 to declare a dividend upon the shares of its paid-up capital, five (5) or  
6 more stockholders, by petition, setting forth such fact, may apply to  
7 the district court of the county wherein is situated its principal place  
8 of business in this state, for its dissolution. If, upon hearing, the al-  
9 legations, of the petition are found to be true, the court may adjudge a  
10 dissolution of the association.

1     **SEC. 15. Annual reports.** Every association organized under the  
2 terms of this act shall annually, on or before the first day of March of  
3 each year, make a report to the secretary of state; such report shall  
4 contain the name of the company, its principle place of business in this  
5 state, and generally a statement as to its business, showing total amount  
6 of business transacted, amount of capital stock subscribed for and paid  
7 in, number of stockholders, total expense of operation, amount of in-  
8 debtedness for liabilities, and its profits and losses.

1     **SEC. 16. Prior co-operative associations.** All co-operative cor-  
2 porations, companies, or associations heretofore organized and doing  
3 business under prior statutes, or which have attempted to so organize  
4 and do business, shall have the benefit of all the provisions of this act  
5 and be bound thereby, on filing with the secretary of state a written  
6 declaration, signed and sworn to by the president and secretary, to the  
7 effect that said co-operative company or association has by a majority  
8 vote of its stockholders decided to accept the benefits of and to be  
9 bound by the provisions of this act.

1     **SEC. 17. Use of term "co-operative".** No corporation or asso-  
2 ciation hereafter organized shall be entitled to use the term "co-oper-

3 ative" as part of its corporate or other business name or title, unless  
 4 it has complied with the provisions of this act, and any corporation or  
 5 association violating the provisions of this act may be enjoined from  
 6 doing business under such name at the instance of any stockholder of  
 7 any association legally organized under the provisions of this act.

1 SEC. 18. **Funds.** None of the funds of any association organized  
 2 under the provisions of this act shall be used in the payment of any  
 3 promotion; as commissions, salaries or expenses of any kind, character  
 4 or nature whatsoever.

1 SEC. 19. **Private property exempt.** The private property of the  
 2 stockholders shall be exempt from execution from the debts of the cor-  
 3 poration.

1 SEC. 20. **Indebtedness.** The highest amount of indebtedness the  
 2 corporation may contract shall not exceed two-thirds of its capital  
 3 stock.

Approved April 17, A. D. 1915.

## CHAPTER 219.

### INSPECTION OF PETROLEUM PRODUCTS.

H. F. 353.

AN ACT to amend the law relating to the inspection of petroleum as the same ap-  
 pears in chapter eleven (11), title twelve (XII), supplement to the code, 1913,  
 and making an annual appropriation for the oil inspection department.

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

1 SECTION 1. **Inspectors.** That the law as the same appears in sec-  
 2 tion twenty-five hundred three (2503), supplement to the code, 1913,  
 3 be and the same is hereby repealed and the following enacted in lieu  
 4 thereof:

5 "The governor shall appoint inspectors of petroleum, not exceeding  
 6 fourteen in number, one of whom shall be designated as chief inspector,  
 7 who shall have general supervision of the inspection service of the  
 8 state, to whom all reports shall be made. All differences arising in the  
 9 inspection of oils shall be referred to the chief oil inspector and his  
 10 decision of the question shall be final.

11 "The chief inspector shall make such recommendations to the state  
 12 board of health as may be deemed necessary to improve the inspection  
 13 service. He shall devote his time and services wholly to the inspection  
 14 of oil and the duties of his office.

15 "Inspectors may appoint such deputies, helpers and branders as  
 16 may be necessary in the proper discharge of their official duties, but  
 17 such appointments before becoming effective must be submitted to and  
 18 approved and confirmed and their compensation fixed by the executive  
 19 council as in their judgment may be necessary, equitable and just.  
 20 Each inspector shall be a resident of the state and not directly or in-