

Sec. 12. The Code editor shall codify this Act as a new part in division four (IV) of chapter four hundred fifty-five B (455B) of the Code.

Approved June 7, 1977

CHAPTER 126
BUSINESS CORPORATIONS

S. F. 238

AN ACT relating to business corporations.

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

Section 1. Section four hundred ninety-six A point two (496A.2), subsection fourteen (14), Code 1977, is amended to read as follows:

14. "Nonadmitted organization" means any corporation, bank, trust company, mutual savings bank, savings and loan association, national banking association or insurance company which is organized under ~~the laws of another~~ laws other than the laws of this state and which is not entitled under this chapter to procure a certificate of authority to transact business in this state.

Sec. 2. Section four hundred ninety-six A point thirty-two (496A.32), unnumbered paragraph three (3), Code 1977, is amended to read as follows:

Neither treasury shares nor ~~unless the articles of incorporation otherwise provide~~ shares held by another corporation if a majority of the shares entitled to vote for the election of directors of such other corporation is held by the corporation, shall be voted at any meeting or counted in determining the total number of outstanding shares at any given time.

Sec. 3. Section four hundred ninety-six A point thirty-two (496A.32), Code 1977, is amended by striking unnumbered paragraph eleven (11).

Sec. 4. Section four hundred ninety-six A point thirty-seven (496A.37), Code 1977, is amended to read as follows:

496A.37 VACANCIES. ~~Unless otherwise provided in the articles of incorporation or the bylaws, any~~ Any vacancy occurring* in the board of directors ~~and any directorship to be filled by reason of an increase in the number of directors~~

* According to enrolled Act

may be filled by the affirmative vote of a majority of the remaining directors ~~then-in-office, even-if~~ though less than a quorum of the board of directors. ~~Unless-otherwise-provided in-the-articles-of-incorporation-or-the-bylaws,~~ a A director ~~se~~ elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office ~~or-the-full-term of-such-new-directorship~~. Any directorship to be filled by reason of an increase in the number of directors may be filled by the board of directors for a term of office continuing only until the next election of directors by the shareholders.

Sec. 5. This Act is effective January 1, 1978.

Approved July 5, 1977

CHAPTER 127

CORPORATIONS CHANGE TO CO-OPERATIVES

H. F. 338

AN ACT to provide that corporations organized under chapter four hundred ninety-one (491) or chapter four hundred ninety-six A (496A) of the Code may elect to become cooperative associations under chapter four hundred ninety-nine (499) of the Code.

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

Section 1. Chapter four hundred ninety-nine (499), Code 1977, is amended by adding sections two (2) through six (6) of this Act.

Sec. 2. NEW SECTION. CONVERSION TO CHAPTER FOUR HUNDRED NINETY-NINE (499) COOPERATIVE ASSOCIATION. A corporation organized under chapter four hundred ninety-one (491) or chapter four hundred ninety-six A (496A) of the Code may become a cooperative association under chapter four hundred ninety-nine (499) of the Code when authorized in the following manner:

1. The board of directors shall adopt a resolution recommending that the corporation be converted to a cooperative association under chapter four hundred ninety-nine (499) of the Code. This resolution shall include proposed amendments to the corporation's articles of incorporation which amendments are necessary or desirable so the corporation may conform to the structure and organization required of cooperative associations regulated by chapter four hundred ninety-nine (499) of the Code. The resolution shall also direct that