

4. As a part of the inspection process, the inspector shall ascertain that the trench excavation has been filled in such a manner as to provide that the top soil has been replaced on top and rocks and debris have been removed from the top soil.

5. Adequate inspection of underground improvements altered during construction of pipeline shall be conducted at the time of the replacement or repair of the underground improvements.

6. If the pipeline company or its contractor does not comply with the orders of the inspector for compliance with the standards, the county board of supervisors may direct the county attorney to petition the district court for an order requiring corrective action to be taken in compliance with the standards adopted under this section.

Sec. 2. Chapter four hundred seventy-nine (479), Code 1979, is amended by adding the following new section:

NEW SECTION. A pipeline company may enter upon private land for the purpose of making land surveys to determine direction or depth of pipelines, not to exceed a depth of twenty-five feet, after receipt of a permit to construct, maintain and operate its pipeline by giving ten days written notice by restricted certified mail to the landowner as defined in section four hundred seventy-nine point five (479.5) of the Code and to any person residing on or in possession of the land. The entry for land surveys authorized in this section shall not be deemed a trespass and may be aided by injunction. The pipeline company shall pay the actual damages caused by the entry and survey.

Sec. 3. Section four hundred seventy-nine point four (479.4), unnumbered paragraphs two (2), three (3) and four (4), Code 1979, are amended by striking the unnumbered paragraphs.

Sec. 4. This Act is effective January first following its enactment.

Approved May 7, 1979

CHAPTER 119
EARNINGS OF ASSOCIATIONS DISTRIBUTED

S. F. 442

AN ACT relating to the distribution of earnings of corporations which are cooperative associations.

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

Section 1. Section four hundred ninety-nine point twenty-four (499.24), Code 1979, is amended to read as follows:

499.24 PREFERRED STOCK. Preferred stock shall bear cumulative or noncumulative dividends as fixed by the articles, not exceeding eight percent per annum. It shall have no vote. It shall be issued and be transferable

without regard to eligibility or membership, and be is redeemable on terms specified in the articles and as provided for in this chapter. The directors shall determine the time and amount of its issue.

Sec. 2. Section four hundred ninety-nine point thirty (499.30), unnumbered paragraph six (6), Code 1979, is amended to read as follows:

Notwithstanding the articles of incorporation of any association now in effect, for each taxable year of the association beginning after December 31, 1962, all remaining net earnings shall be allocated to the account of each member, including subscribers described in section 499.16 ratably in proportion to the business he the member had done with the association during such year. The directors shall determine, or the articles of incorporation or bylaws of the association may specify, the percentage or the amount of said allocation that currently shall be paid in cash, provided that so long as there are unpaid deferred patronage dividends of deceased members for prior years the amount currently payable in cash shall not exceed twenty percent of said allocation. All said remaining allocation not so paid in cash shall be transferred to a revolving fund and credited to said members and subscribers. Such credits in the revolving fund are herein referred to as deferred patronage dividends.

Sec. 3. Section four hundred ninety-nine point thirty-three (499.33), Code 1979, is amended to read as follows:

499.33 USE OF REVOLVING FUND. The directors may use the revolving fund to pay the obligations or add to the capital of the association or retire its preferred stock. In such event the deferred patronage dividends credited to members shall constitute a charge on the revolving fund and future additions thereto, and on the corporate assets, subordinate to creditors and preferred stockholders then or thereafter existing. Deferred patronage dividends for any year shall have priority over those for any subsequent year,--except--that. However, prior to any other payments of deferred patronage dividends or redemption of preferred stock held by members, the directors may,--at--their discretion, of cooperative associations, other than those cooperative associations which are public utilities defined in section four hundred seventy-six point one (476.1) of the Code and other than those cooperative associations which are public utilities which are exempt from rate regulation as provided in that section, shall pay deferred patronage dividends and redeem preferred stock, of deceased members--or--patrons,--and natural persons who were members, and may pay deferred patronage dividends or redeem preferred stock of members who become ineligible without reference to the order of priority herein-prescribed. Directors of cooperative associations which are public utilities defined in section four hundred seventy-six point one (476.1) of the Code and directors of cooperative associations which are public utilities exempt from rate regulation as provided in that section, may pay deferred patronage dividends and redeem preferred stock, of deceased natural persons who were members, and may pay deferred patronage dividends or redeem preferred stock members who become ineligible without reference to priority. Payment of deferred patronage dividends or the redemption of

preferred stock of ineligible members shall be carried out to the extent and in the manner specified in the bylaws of the association.

Sec. 4. This Act is effective January first following its enactment.

Approved May 3, 1979

CHAPTER 120
SECURITIES TRANSACTIONS

S. F. 463

AN ACT relating to the regulation of securities transactions.

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

Section 1. Section five hundred two point one hundred two (502.102), subsection two (2), Code 1979, is amended to read as follows:

2. "Agent" means any individual other than a broker-dealer who represents a broker-dealer or issuer* in effecting or attempting to effect purchases or sales of securities. "Agent" does not include an individual who represents an issuer in:

a. Effecting transactions in a security exempted by section 502.202, subsections 1, 2, 3, 4, 6, 10, 11, or a security issued by an industrial loan company licensed under chapter 536A, Code 1977;

b. Effecting transactions exempted by section 502.203; or

c. Effecting transactions with existing employees, partners or directors of the issuer if no commission or other remuneration is paid or given directly or indirectly for soliciting any person in this state. "Agent" also does not include other individuals who are not within the intent of this subsection whom the administrator by rule or order designates. A partner, officer, or director of a broker-dealer or issuer, or a person occupying a similar status or performing similar functions, is an agent only if such person otherwise comes within this definition.

Sec. 2. Section five hundred two point one hundred two (502.102), subsection four (4), paragraphs a, b and c, and paragraph d, subparagraph two (2), Code 1979, are amended to read as follows:

a. An agent-;_

b. An issuer-;_

c. An institutional investor, including an insurance company or bank, except where the insurance company or bank is engaged in the business of selling interests (other than through a subsidiary) in a separate account that are securities-;_

(2) During any period of twelve consecutive months does not direct more than fifteen offers to sell or buy into this state in any manner to persons other than those specified in subparagraph (1) of this paragraph, whether or not the offeror or any of the offerees is then present in this state-;_

*According to enrolled Act