

**CHAPTER 139**

## TOWNSHIP TRUSTEE BOARD MEETINGS — NOTICE

H.F. 608

**AN ACT** relating to notice of meetings of the board of township trustees.

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

Section 1. Section 359.17, Code 2007, is amended to read as follows:

359.17 TRUSTEES — DUTIES — MEETINGS.

1. The board of township trustees in each township shall consist of three registered voters of the township. However, in townships with a taxable valuation for property tax purposes of two hundred fifty million dollars or more, the board of township trustees shall consist of five registered voters of the township. The trustees shall act as fence viewers and shall perform other duties assigned them by law. The board of trustees shall meet not less than two times a year. At least one of the meetings shall be scheduled to meet the requirements of section 359.49.

2. A board of township trustees shall give prior notice of a meeting to discuss, deliberate, or act upon a matter relating to the budget or a tax levy of the township or relating to the trustees' duty to provide fire protection service and, if provided, emergency medical service, pursuant to section 359.42. The trustees shall give notice of such meeting at least forty-eight hours preceding the commencement of the meeting. However, a notice is not required pursuant to this subsection when the trustees gather for minor or ministerial matters relating to the trustees' duty for providing such fire protection service or emergency medical service. The notice shall state the time, date, and place of the meeting and the proposed agenda. The notice shall be provided to the county auditor who shall post the notice in an area of the courthouse where notices to the public are commonly posted.

Sec. 2. Section 359.49, subsection 4, Code 2007, is amended to read as follows:

4. The board of trustees shall transmit a copy of the proposed budget and a notice of the meeting set as required by subsection 5 to the county auditor for posting. The county auditor shall post the notice and the proposed budget in an area of the courthouse where notices to the public are commonly posted.

Approved May 9, 2007

**CHAPTER 140**

## BUSINESS CORPORATIONS — MISCELLANEOUS CHANGES

H.F. 651

**AN ACT** relating to business corporations, by providing for information required to be filed with the secretary of state and providing for shares and instruments associated with such corporations.

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

Section 1. Section 490.120, Code 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 12. Whenever a provision of this chapter permits any of the terms of

a plan or a filed document to be dependent on facts objectively ascertainable outside of the plan or filed document, all of the following provisions apply:

a. The manner in which the facts will operate upon the terms of the plan or filed document shall be set forth in the plan or filed document.

b. The facts may include, but are not limited to any of the following:

(1) Any of the following that is available in a nationally recognized news or information medium either in print or electronically: statistical or market indices, market prices of any security or group of securities, interest rates, currency exchange rates, or similar economic or financial data.

(2) A determination or action by any person or body, including the corporation or any other party to a plan or filed document.

(3) The terms of, or actions taken under, an agreement to which the corporation is a party, or any other agreement or document.

c. As used in this subsection:

(1) "Filed document" means a document filed with the secretary of state under any provision of this chapter except division XV or section 490.1622.

(2) "Plan" means a plan of merger or share exchange.

d. The following provisions of a plan or filed document may not be made dependent on facts outside the plan or filed document:

(1) The name and address of any person required in a filed document.

(2) The registered office of any entity required in a filed document.

(3) The registered agent of any entity required in a filed document.

(4) The number of authorized shares and designation of each class or series of shares.

(5) The effective date of a filed document.

(6) Any required statement in a filed document of the date on which the underlying transaction was approved or the manner in which that approval was given.

e. If a provision of a filed document is made dependent on a fact ascertainable outside of the filed document, and that fact is not ascertainable by reference to a source described in paragraph "b", subparagraph (1), or a document that is a matter of public record, or the affected shareholders have not received notice of the fact from the corporation, then the corporation shall file with the secretary of state articles of amendment setting forth the fact promptly after the time when the fact referred to is first ascertainable or thereafter changes. Articles of amendment under this paragraph are deemed to be authorized by the authorization of the original filed document to which they relate and may be filed by the corporation without further action by the board of directors or the shareholders.

Sec. 2. Section 490.140, Code 2007, is amended by adding the following new subsection: NEW SUBSECTION. 11A. The phrase "facts objectively ascertainable" outside of a filed document or plan is defined in section 490.120, subsection 12.

Sec. 3. Section 490.202, Code 2007, is amended by adding the following new subsection: NEW SUBSECTION. 4. Provisions of the articles of incorporation may be made dependent upon facts objectively ascertainable outside the articles of incorporation in accordance with section 490.120.

Sec. 4. Section 490.601, Code 2007, is amended to read as follows:  
490.601 AUTHORIZED SHARES.

1. The articles of incorporation must ~~prescribe the set forth any classes of shares and series of shares within a class,~~ and the number of shares of each class ~~and series,~~ that the corporation is authorized to issue. If more than one class ~~or series~~ of shares is authorized, the articles of incorporation must prescribe a distinguishing designation for each class, ~~or series~~ and ~~must describe,~~ prior to the issuance of shares of a class ~~or series,~~ the ~~terms, including the preferences, rights, and limitations, and relative rights of that class must be described in the articles of incorporation of that class or series.~~ All Except to the extent varied as permitted by this sec-

~~tion, all shares of a class or series must have terms, including preferences, rights, and limitations, and relative rights that are identical with those of other shares of the same class except to the extent otherwise permitted by section 490.602 or series.~~

2. The articles of incorporation must authorize both all of the following:
  - a. One or more classes or series of shares that together have unlimited voting rights.
  - b. One or more classes or series of shares, which may be the same class or classes as those with voting rights, that together are entitled to receive the net assets of the corporation upon dissolution.
3. The articles of incorporation may authorize one or more classes or series of shares that have any of the following qualities:
  - a. Have special, conditional, or limited voting rights, or no right to vote, except to the extent ~~prohibited otherwise provided~~ by this chapter.
  - b. Are redeemable or convertible as specified in the articles of incorporation in any of the following ways:
    - (1) At the option of the corporation, the ~~shareholders~~ shareholder, or another person or upon the occurrence of a designated specified event.
    - (2) For cash, indebtedness, securities, or other property.
    - (3) ~~In a designated amount or in an amount~~ At prices and in amounts specified, or determined in accordance with a designated formula ~~or by reference to extrinsic data or events.~~
  - c. Entitle the holders to distributions calculated in any manner, including dividends that may be cumulative, noncumulative, or partially cumulative.
  - d. Have preference over any other class or series of shares with respect to distributions, including ~~dividends and~~ distributions upon the dissolution of the corporation.
4. The terms of shares may be made dependent upon facts objectively ascertainable outside the articles of incorporation in accordance with section 490.120, subsection 12.
5. The terms of shares may vary among holders of the same class or series so long as such variations are expressly set forth in the articles of incorporation.
6. The description of the designations, preferences, rights, and limitations, ~~and relative rights~~ of share classes or series of shares in subsection 3 is not exhaustive.

Sec. 5. Section 490.602, Code 2007, is amended by striking the section and inserting in lieu thereof the following:

490.602 TERMS OF CLASS OR SERIES DETERMINED BY BOARD OF DIRECTORS.

1. If the articles of incorporation so provide, the board of directors is authorized, without shareholder approval, to do any of the following:
  - a. Classify any unissued shares into one or more series within a class.
  - b. Reclassify any unissued shares of any class into one or more classes or into one or more series within one or more classes.
  - c. Reclassify any unissued shares of any series of any class into one or more classes or into one or more series within a class.
2. If the board of directors acts pursuant to subsection 1, it must determine the terms, including the preferences, rights, and limitations, to the same extent permitted under section 490.601, of any of the following:
  - a. Any class of shares before the issuance of any shares of that class.
  - b. Any series within a class before the issuance of any shares of that series.
3. Before issuing any shares of a class or series created under this section, the corporation must deliver to the secretary of state for filing articles of amendment setting forth the terms determined under subsection 1.

Sec. 6. Section 490.624, Code 2007, is amended to read as follows:

490.624 SHARE OPTIONS.

1. A corporation may issue rights, options, or warrants for the purchase of shares or other securities of the corporation. The board of directors shall determine (i) the terms upon which the rights, options, or warrants are issued, ~~their form and content, and the consideration for~~

which the shares are to be issued, and (ii) the terms, including the consideration for which the shares or other securities are to be issued. The authorization by the board of directors for the corporation to issue such rights, options, or warrants constitutes authorization of the issuance of the shares or other securities for which the rights, options, or warrants are exercisable.

2. The terms and conditions of such rights, options, or warrants, including those outstanding on the effective date of this section, may include, without limitation, restrictions, or conditions that do any of the following:

a. Preclude or limit the exercise, transfer, or receipt of such rights, options, or warrants by any person or persons owning or offering to acquire a specified number or percentage of the outstanding shares or other securities of the corporation or by any transferee or transferees of any such person or persons.

b. Invalidate or void such rights, options, or warrants held by any such person or persons or any such transferee or transferees.

Sec. 7. Section 490.1005, subsection 8, Code 2007, is amended to read as follows:

8. To make any change expressly permitted by section 490.602, subsection 4 1 or 2, to be made without shareholder approval.

Sec. 8. Section 490.1006, Code 2007, is amended to read as follows:

490.1006 ARTICLES OF AMENDMENT.

After an amendment to the articles of incorporation has been adopted and approved in the manner required by this chapter and by the articles of incorporation, the corporation shall deliver to the secretary of state, for filing, articles of amendment, which shall set forth all of the following:

1. The name of the corporation.

2. The text of each amendment adopted, or the information required by section 490.120, subsection 12, paragraph "e".

3. If an amendment provides for an exchange, reclassification, or cancellation of issued shares, provisions for implementing the amendment, if not contained in the amendment itself, which may be made dependent upon facts objectively ascertainable outside the articles of amendment in accordance with section 490.120, subsection 12.

4. ~~The date of each amendment's adoption.~~

5. ~~If an amendment was adopted by the incorporators or board of directors without shareholder approval, a statement that the amendment was duly approved by the incorporators or by the board of directors, as the case may be, and that shareholder approval was not required.~~

6. a. If an amendment required Required approval by the shareholders, a statement that the amendment was duly approved by the shareholders in the manner required by this chapter and by the articles of incorporation.

b. Is being filed pursuant to section 490.120, subsection 12, a statement to that effect.

Sec. 9. Section 490.1102, subsection 4, Code 2007, is amended to read as follows:

4. The terms described in subsection 3, paragraphs "b" and "c", ~~of a plan of merger may be made dependent on facts objectively ascertainable outside the plan of merger, provided that those facts are objectively ascertainable in accordance with section 490.120, subsection 12. The term "facts" includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.~~

Sec. 10. Section 490.1103, subsection 4, Code 2007, is amended to read as follows:

4. The terms ~~described in subsection 3, paragraphs "b" and "c", of a share exchange may be made dependent on facts objectively ascertainable outside the plan of share exchange, provided that those facts are objectively ascertainable in accordance with section 490.120, subsection 12. The term "facts" includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.~~

Sec. 11. Section 490.1601, subsection 5, unnumbered paragraph 1, Code 2007, is amended to read as follows:

A corporation shall keep a copy of the following records at its principal office:

Sec. 12. Section 490.1601, subsection 5, paragraph a, Code 2007, is amended to read as follows:

a. Its articles or restated articles of incorporation, ~~and all amendments to them currently in effect, and any notices to shareholders referred to in section 490.120, subsection 12, paragraph "e", regarding facts on which a filed document is dependent.~~

Approved May 9, 2007

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## CHAPTER 141

### SNOWMOBILE AND ALL-TERRAIN VEHICLE REGULATION

*H.F. 742*

**AN ACT** relating to the regulation of snowmobiles and all-terrain vehicles, and providing fees and penalties.

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

Section 1. Section 321.234A, subsection 3, Code 2007, is amended to read as follows:

3. An all-terrain vehicle that is owned by the owner of land adjacent to a highway, other than an interstate road, may be operated by the owner of the all-terrain vehicle, or by a member of the owner's family, on the portion of the highway right-of-way that is between the shoulder of the roadway, or at least five feet from the edge of the roadway, and the owner's property line. A person operating an all-terrain vehicle within the highway right-of-way under this subsection shall comply with the registration, safety, and age requirements under chapter 321I.

Sec. 2. Section 321G.1, Code 2007, is amended by adding the following new subsections:

NEW SUBSECTION. 5A. "Director" means the director of the department.

NEW SUBSECTION. 5B. "Distributor" means a person, resident or nonresident, who sells or distributes snowmobiles to snowmobile dealers in this state or who maintains distributor representatives.

Sec. 3. Section 321G.2, Code 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 8. Issuance of annual user permits for nonresidents and establishment of administrative fees for issuance of the permits.

Sec. 4. Section 321G.3, Code 2007, is amended to read as follows:

~~321G.3 REGISTRATION AND NUMBERING REQUIRED — PENALTIES.~~

1. Each snowmobile used on public land or ice of this state shall be currently registered ~~and numbered~~. A person shall not operate, maintain, or give permission for the operation or maintenance of a snowmobile on public land or ice unless the snowmobile is ~~numbered~~ registered in accordance with this chapter or applicable federal laws, or the snowmobile displays a current annual user permit decal issued for the snowmobile ~~as provided in section 321G.4A~~. ~~If the snowmobile is required to be registered in this state, the identifying number set forth in the registration shall be displayed as prescribed by rules of the commission.~~