

This subsection does not prohibit preexisting conditions coverage in an association policy that is more favorable to the insured than that specified in this subsection.

Sec. 3. Section 514E.7, subsection 5, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If the association policy contains a waiting period for preexisting conditions, an insured may retain any existing coverage the person has under an insurance plan that has coverage equivalent to the association policy for the duration of the waiting period only.

Approved April 6, 1990

CHAPTER 1164

COOPERATIVE ASSOCIATION AND NONPROFIT CORPORATION PROCEDURES

H.F. 2455

AN ACT relating to state chartered legal entities, especially nonprofit corporations and cooperative associations, by altering requirements and procedure for filing corporate documents in the office of the secretary of state and by requiring corporations organized under or subject to Iowa Code chapter 504 to convert to chapter 504A within a certain period of time.

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

Section 1. Section 499.5, subsection 3, Code 1989, is amended to read as follows:

3. A nonprofit water utility organized under chapter 357A or 504A may elect to become an association under this chapter upon majority vote of its members by filing with the secretary of state a verified statement confirming the election and appropriate articles of incorporation. However, the association is subject to the service limitation provisions contained in sections 357.1 and 357A.2.

Sec. 2. Section 499.25, Code 1989, is amended to read as follows:

499.25 ISSUING PREFERRED STOCK IN PURCHASES.

An association may discharge all or any part of obligations incurred in purchasing any business, property or stock, or an interest therein, by issuing its authorized preferred stock in an amount not exceeding the fair market value of the thing purchased. ~~Issuance of such stock in an amount exceeding twenty-five thousand dollars shall be governed by the law as found in sections 492.6 and 492.7. Issuance of such stock in amounts smaller than twenty-five thousand dollars shall be upon the fair market value of the property purchased, as determined through an appraisal made by the director directors or a competent appraiser employed by the directors. Within thirty days after such issue, the association shall file with the secretary of state a verified report containing an accurate detailed description of the thing purchased, the valuation thereof by the directors, and the amount of preferred stock thus issued. Such preferred stock shall be valid as though paid for in cash.~~

Sec. 3. Section 499.41, unnumbered paragraph 2, Code 1989, is amended to read as follows:

~~Amendments, signed and acknowledged by officers designated for such purpose, shall be executed and filed and recorded as provided in section 499.44.~~

Sec. 4. Section 499.42, unnumbered paragraph 4, Code 1989, is amended to read as follows:

The renewal articles shall be ~~signed, executed and filed and recorded~~ as required by section 499.41. Renewal shall not relieve the association from fees, charges, or penalties which may have accrued against it.

Sec. 5. Section 499.43, unnumbered paragraph 1, Code 1989, is amended to read as follows:

~~Any~~ An existing Iowa co-operative corporation ~~may~~, by a majority vote of all its members, at a meeting called for that purpose and held before its present articles expire, ~~may~~ amend its articles so as to comply with this chapter and section 499.40, which may extend its corporate duration. ~~Such~~ The amended articles, ~~signed and acknowledged by officers designated for that purpose,~~ shall be executed and filed and recorded, and a certificate of incorporation issued, as required by section 499.44, ~~whereupon such.~~ Upon issuance of the certificate, the corporation shall be deemed an association under this chapter.

Sec. 6. Section 499.44, Code 1989, is amended by striking the section and inserting in lieu thereof the following:

499.44 EXECUTION AND FILING OF DOCUMENTS.

1. The secretary of state shall record all documents submitted to and required to be filed with the secretary under this chapter.

2. A document required to be filed with the secretary of state pursuant to this chapter must be executed. The person executing the document must be the association's presiding officer of the board of directors, or the association's president or other officer. However, if the board of directors has not been selected or the association has not been formed, the document must be signed by an incorporator of the association. If the association is under the control of a person acting as a fiduciary of the association, including a trustee or receiver, the document must be signed by the fiduciary.

A document required to be executed shall contain the printed name of the person executing the document and the capacity in which the person serves the association. The signature of the person must appear above or opposite the person's printed name and capacity. In the discretion of the secretary of state, a document containing a copy of the person's signature may be accepted for filing. The document may also contain a corporate seal, an attestation by the secretary of state or person charged by the secretary, or an acknowledgement, verification, or proof that the execution is valid.

3. Articles of incorporation, amendments to articles, or renewal of articles must be filed with the secretary of state, and recorded in the county where the association has its principal place of business, as required by the general corporation laws. The association's corporate existence shall begin upon approval by the secretary of state of the articles and issuance of the certificate of incorporation.

4. A document filed under this section may be corrected if the document contains an incorrect statement or the execution of the document was defective. A document is corrected by filing with the secretary articles of correction which describe the document to be corrected, including its filing date or a copy of the document. The articles must specify the incorrect statement or defective execution, and correct the incorrect statement or defective execution.

Articles of correction are deemed to be effective on the date that the document corrected took or takes effect. However, as applied to persons relying upon the uncorrected document or adversely affected by the articles of correction, the effective date of the articles of correction is the date that the articles are filed.

Sec. 7. Section 499.47, subsection 3, Code 1989, is amended to read as follows:

3. Upon the expiration or voluntary dissolution of an association, the members shall designate three of their number as trustees to replace the officers and directors and wind up its affairs. ~~Such~~ The trustees shall ~~thereupon~~ have all the powers of the board, including the power to sell and convey all real or personal property and execute conveyances ~~thereof~~. Within the time fixed in their designation, or any extension ~~thereof~~ of that time, they the trustees shall liquidate ~~its~~ the association's assets, pay its debts and expenses, and distribute ~~any~~ remaining funds among the members, ~~and thereupon.~~ Upon distribution of remaining assets the association shall stand dissolved and cease to exist. The trustees shall make, and sign, and acknowledge a duplicate report of such the dissolution, filing one. One copy of the report shall be filed with

the secretary of state and one copy of the report shall be filed with the recorder of the county where the articles were recorded.

Sec. 8. Section 499.67, unnumbered paragraph 1, Code 1989, is amended to read as follows:

Upon approval, articles of merger or articles of consolidation shall be executed by each co-operative association by its president or a vice president and by its secretary or an assistant secretary, and acknowledged by one of the officers of each co-operative association signing the articles, and shall set forth as provided in section 499.44. The articles must include the following:

Sec. 9. Section 499.67, unnumbered paragraph 2, Code 1989, is amended to read as follows:

The articles of merger or articles of consolidation shall be delivered to the secretary of state for filing and recording in the secretary of state's office, and shall be filed and recorded in the office of the county recorder.

Sec. 10. Section 504A.9, subsection 5, Code Supplement 1989, is amended to read as follows:

5. If its registered agent or agents be are changed, the name of its successor registered agent or agents, and the new agent's or agents' written consent, either on the statement, or by attaching the agent's or agents' consent to the appointment.

Sec. 11. Section 504A.9, subsection 7, Code Supplement 1989, is amended by striking the subsection.

Sec. 12. Section 504A.9, unnumbered paragraph 2, Code Supplement 1989, is amended to read as follows:

~~Such statement shall be executed by the corporation by its president or a vice president. Such~~ The statement shall be delivered to the secretary of state for filing and recording in the secretary of state's office, and the statement shall be filed and recorded in the office of the county recorder. If the registered office is changed from one county to another, the statement shall be filed and recorded in the office of the county recorder of the county to which the registered office is changed, and a certified copy of the statement shall be furnished by the secretary of state and delivered to the office of the county recorder for filing in the county in which the registered office was located prior to the filing of the statement.

Sec. 13. Section 504A.32, Code Supplement 1989, is amended by adding the following new subsections:

NEW SUBSECTION. 4. A document that is filed in the office of the secretary of state shall be executed:

a. By the presiding officer of the board of directors of the corporation or the foreign corporation, its president, or another of its officers.

b. If directors have not been selected or the corporation has not been formed, by an incorporator.

c. If the corporation is in the hands of a receiver, trustee, or other court-appointed fiduciary, by that fiduciary.

NEW SUBSECTION. 5. The person executing the document shall sign it and state beneath or opposite the signature, the person's name and the capacity in which the person signs. The secretary of state may accept for filing a document containing a copy of a signature, however made. The document may, but need not, contain:

a. The corporate seal.

b. An attestation by the secretary or an assistant secretary.

c. An acknowledgment, verification, or proof.

NEW SUBSECTION. 6. The secretary of state may adopt rules permitting the electronic filing of documents in the office of the secretary of state, and for the certification of copies of electronically filed documents.

Sec. 14. NEW SECTION. 504A.32A CORRECTING FILED DOCUMENTS.

1. A domestic or foreign corporation may correct a document filed by the secretary of state if the document satisfies one or both of the following requirements:

- a. The document contains an incorrect statement.
 - b. The document was defectively executed, attested, sealed, verified, or acknowledged.
2. A document is corrected by complying with both of the following:

a. By preparing articles of correction that satisfy all of the following requirements:

- (1) Describe the document, including its filing date, or attach a copy of it to the articles.
- (2) Specify the incorrect statement or manner in which the execution was defective.
- (3) Correct the incorrect statement or defective execution.

b. By delivering the articles of correction to the secretary of state for filing.

3. Articles of correction are effective on the effective date of the document they correct except as to persons relying on the uncorrected document and adversely affected by the correction. As to persons relying on the uncorrected document and adversely affected by the correction, the articles of correction are effective when filed by the secretary of state.

Sec. 15. Section 504A.36, unnumbered paragraph 1, Code 1989, is amended to read as follows:

The articles of amendment shall be executed by the corporation ~~by its president or a vice president and by its secretary or an assistant secretary, and acknowledged by one of the officers signing such articles,~~ and shall set forth:

Sec. 16. Section 504A.39, unnumbered paragraph 2, Code 1989, is amended to read as follows:

Upon ~~such~~ approval, restated articles of incorporation shall be executed by the corporation ~~by its president or vice president and by its secretary or assistant secretary, and verified by one of the officers signing the same,~~ and shall set forth, as then stated in the corporation's articles of incorporation and, if the restated articles of incorporation include an amendment or amendments to the articles of incorporation to be made thereby, as so amended:

Sec. 17. Section 504A.43, unnumbered paragraph 1, Code 1989, is amended to read as follows:

Upon ~~such~~ approval, articles of merger or articles of consolidation shall be executed by each corporation ~~by its president or a vice president and by its secretary or an assistant secretary, and acknowledged by one of the officers of each corporation signing such articles,~~ and shall set forth:

Sec. 18. Section 504A.51, unnumbered paragraph 1, Code 1989, is amended to read as follows:

If voluntary dissolution proceedings have not been revoked, then when all debts, liabilities, and obligations of the corporation ~~shall have been paid and discharged, or adequate provision shall have been made therefor for them,~~ and all of the remaining property and assets of the corporation ~~shall have been transferred, conveyed, or distributed in accordance with the provisions of this chapter,~~ articles of dissolution shall be executed by the corporation ~~by its president or a vice president, and by its secretary or an assistant secretary, and verified by one of the officers signing such statement, which statement shall set forth.~~ The articles of dissolution shall set forth:

Sec. 19. Section 504A.69, unnumbered paragraph 2, Code Supplement 1989, is amended to read as follows:

The application shall be made on forms prescribed and furnished by the secretary of state and shall be executed by the corporation ~~by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such application.~~

Sec. 20. Section 504A.73, subsection 5, Code Supplement 1989, is amended to read as follows:

5. If its registered agent or agents ~~be~~ are changed, the name of its successor registered agent or agents, and the new agent's or agents' written consent, either on the statement, or by attaching the agent's consent to the appointment.

Sec. 21. Section 504A.73, subsection 7, Code Supplement 1989, is amended by striking the subsection.

Sec. 22. Section 504A.78, unnumbered paragraph 2, Code 1989, is amended to read as follows:

The application for withdrawal shall be made on forms prescribed and furnished by the secretary of state and shall be executed by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing the application, or, if the corporation is in the hands of a receiver or trustee, shall be executed on behalf of the corporation by such receiver or trustee and verified by that person.

Sec. 23. Section 504A.87, subsection 1, unnumbered paragraph 1, Code Supplement 1989, is amended to read as follows:

The delivery by the corporation to the secretary of state for filing in the secretary of state's office of an application for reinstatement, executed by its president or vice president and by its secretary or an assistant secretary and verified by one of the officers signing such application, which shall set forth:

Sec. 24. Section 504A.87, Code Supplement 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. When the certificate of reinstatement is effective, it relates back to and takes effect as of the effective date of the cancellation as if the cancellation had never occurred.

Sec. 25. Section 504A.100, subsection 3, paragraphs a and b, Code 1989, are amended to read as follows:

a. ~~As to domestic corporations, a~~ A resolution reciting that the corporation voluntarily adopts this chapter and designating the address of its initial registered office and the name of its registered agent or agents at ~~such that~~ address and, if the name of the corporation does not comply with this chapter, amending the articles of incorporation of the corporation to change the name of the corporation to one complying with the requirements of this chapter, shall be adopted by the procedure prescribed by this chapter for the amendment of articles of incorporation. If ~~such~~ the corporation has ~~theretofore~~ issued shares of stock, ~~said~~ the resolution shall contain a statement of ~~such that~~ fact including the number of shares ~~theretofore~~ authorized, the number issued and outstanding, and a statement that all issued and outstanding shares of stock have been delivered to the corporation to be canceled upon the adoption of this chapter by the corporation ~~becoming effective, or will be canceled upon receipt by the corporation,~~ and that from and after the effective date of ~~said~~ adoption the authority of the corporation to issue shares of stock ~~shall be thereby~~ is terminated. As to foreign corporations, a resolution shall be adopted by the board of directors, reciting that the corporation voluntarily adopts this chapter, and designating the address of its registered office in this state and the name of its registered agent or agents, at ~~such that~~ address and, if the name of the corporation does not comply with this chapter, setting forth the name of the corporation with the changes which it elects to make ~~therein in the name~~ conforming to the requirements of this chapter for use in this state.

b. Upon adoption of the required resolution or resolutions, an instrument shall be executed by the corporation by its president or vice president and by its secretary or an assistant secretary and verified by one of the officers signing the instrument, which shall set forth both of the following:

- (1) The name of the corporation;
- (2) Each such resolution adopted by the corporation and the date of its adoption ~~thereof~~.

Sec. 26. Section 504A.100, Code 1989, is amended by adding the following new subsection:
NEW SUBSECTION. 13. Corporations existing under chapter 504 shall be subject to this chapter on July 1, 1990, except that the corporations shall be subject to sections 504A.8 and 504A.83 on January 1, 1995. A corporate existence of a corporation that is not in compliance on the records of the secretary of state with sections 504A.8 and 504A.83 on June 30, 1995,

is terminated, effective July 1, 1995. A corporation whose existence is terminated pursuant to this subsection may be reinstated. When the reinstatement is effective, it relates back to and takes effect as of the effective date of the termination of its corporate existence as if such termination had never occurred. The secretary of state shall adopt rules governing the reinstatement of a corporation pursuant to this subsection.

Sec. 27. Chapter 504 is repealed.

Approved April 6, 1990

CHAPTER 1165

COMMERCIAL FEED

H.F. 534

AN ACT relating to the regulation of commercial feed and providing for the increase of fees.

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

Section 1. Section 198.1, Code 1989, is amended to read as follows:

198.1 SHORT TITLE.

This chapter shall be known as the "Iowa Commercial Feed Law of 1974."

Sec. 2. Section 198.3, subsection 1, Code 1989, is amended by striking the subsection and inserting in lieu thereof the following:

1. "Distribute" means either of the following:

- a. To offer for sale, sell, exchange, or barter commercial feed.
- b. To supply, furnish, or otherwise provide commercial feed to a contract feeder.

Sec. 3. Section 198.3, subsection 17, Code 1989, is amended to read as follows:

17. "Pet food" means any commercial feed prepared and distributed for consumption by pets dogs or cats.

Sec. 4. Section 198.3, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 21. "Broker" means a person, other than a licensed manufacturer, who distributes commercial feed or commercial feed ingredients to a manufacturer.

Sec. 5. Section 198.4, Code 1989, is amended by striking the section and inserting in lieu thereof the following:

198.4 LICENSES.

1. A person who manufactures a commercial feed, a customer-formula feed, or whose name appears on the label of a commercial or customer-formula feed, shall not distribute a commercial feed in this state without first obtaining a license from the secretary issued on forms provided by the secretary. The forms must identify the name, place of business, and location of each manufacturing facility in this state.

A broker shall not distribute a commercial feed in this state without first obtaining a license from the secretary issued on forms provided by the secretary. The forms must identify the broker's name and place of business.

2. A person obtaining a license under this section shall pay to the secretary a license fee of ten dollars. Fees relating to the issuance of licenses shall be paid by July 1 of each year.

Sec. 6. Section 198.5, subsection 1, paragraph d, Code 1989, is amended to read as follows:

d. ~~The An ingredient statement containing the common or usual name of each ingredient used in the manufacture of the commercial feed, provided, that. However,~~ the secretary by rule may permit the use of a collective term for a group of ingredients which perform a similar