

CHAPTER 1115
COOPERATIVE ASSOCIATIONS - MISCELLANEOUS PROVISIONS
S.F. 2283

AN ACT relating to voting, the distribution of earnings, and the bylaws of a cooperative association.

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

Section 1. Section 499.29, Code 1995, is amended to read as follows:
499.29 MANNER OF VOTING.

Votes shall be cast in person, and not by proxy. The vote of a member-association shall be cast only by its representative duly authorized in writing. If the articles or bylaws permit, ~~an absent a~~ member may cast that member's ~~signed-written~~ vote, in advance of the meeting, upon any proposition of which the member has been previously notified in writing, ~~and of which a copy accompanies the member's vote.~~

Sec. 2. Section 499.30, subsection 2, paragraph b, Code Supplement 1995, is amended to read as follows:

b. To the extent that the cooperative association is not operating on a pooling basis as provided in this subsection, at least ten percent of the remaining earnings must be added to surplus until surplus equals either thirty percent of the total of all capital paid in for stock or memberships, plus all unpaid patronage dividends, plus certificates of indebtedness payable upon liquidation, earnings from nonmember business, and earnings arising from the earnings of other cooperative organizations of which the association is a member, or one thousand dollars, whichever is greater. No additions shall be made to surplus when it exceeds either fifty percent of the total, or one thousand dollars, whichever is greater, without the approval of the membership by a majority of votes cast.

Sec. 3. Section 499.46, Code 1995, is amended to read as follows:
499.46 BYLAWS.

The directors, by a vote of seventy-five percent of the directors, may adopt, alter, amend, or repeal bylaws for the association, which shall remain in force until altered, amended, or repealed by a vote of seventy-five percent of the members present or represented having voting privileges, at any annual meeting or special meeting of the membership, ~~or as otherwise provided in the articles of incorporation or bylaws~~ provided that at least ten days' prior written notice of the impending membership vote has been mailed to all members of the association with a copy or summary of the proposed adoption, alteration, amendment, or repeal of the bylaws. Proposals by members to adopt, alter, amend, or repeal bylaws by vote of the membership shall be presented to the association's registered office for mailing to the membership by the association at least twenty days prior to the meeting at which the proposed change is to be considered. Bylaws shall be kept by the secretary subject to inspection by any member at any time. Bylaws may deal with the fiscal or internal affairs of the association or any subject of this chapter in any manner not inconsistent with this chapter or the articles.

Approved April 16, 1996