

Sec. 2. Section 15.106, subsection 8, Code 2001, is amended to read as follows:

8. Seek to implement the plans comprehensive strategic plan approved by the board under section 15.104, ~~subsections 1 and~~ subsection 2.

Approved March 14, 2001

CHAPTER 12

COOPERATIVE ASSOCIATIONS — MEMBERS, NONMEMBERS, AND MEMBERSHIPS — FICTITIOUS NAMES

H.F. 286

AN ACT permitting cooperative associations to deal with nonmembers, to use fictitious names, and to issue memberships without charge; to permit electric cooperatives to have multiple classes of members; and providing an effective date.

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

Section 1. Section 499.3, Code 2001, is amended to read as follows:
499.3 DEALING WITH NONMEMBERS.

A nonstock livestock shipping association shall not handle livestock of any nonmembers. Any association may restrict the amount of business done with nonmembers and may limit its dealings or any class thereof to members only.

~~No association shall, during any year, deal or function with or for nonmembers to an extent exceeding one half of the value of business done. This provision shall not apply to its sales or services to municipal or governmental bodies; nor to agricultural associations' purchases from or sales to corporate landowners who are not primarily engaged in the business of farming.~~

Sec. 2. Section 499.4, Code 2001, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. This chapter does not control the use of fictitious names; however, if a cooperative association or a foreign cooperative association uses a fictitious name in this state, it shall deliver to the secretary of state for filing a copy of the resolution of its board of directors, certified by its secretary, adopting the fictitious name.

Sec. 3. Section 499.14, Code 2001, is amended to read as follows:
499.14 MEMBERSHIP IN NONSTOCK ASSOCIATIONS.

Membership in associations without capital stock may be acquired by eligible parties in the manner provided in the articles, which shall specify the rights of members, the issuing price of memberships, if any, and what, if any, fixed dividends accrue thereon. If the articles so provide, membership shall be of two classes, voting and nonvoting. Voting members shall be agricultural producers, and all other members shall be nonvoting members. Nonvoting members shall have all the rights of membership except the right to vote.

Sec. 4. Section 499.14A, Code 2001, is amended to read as follows:
499.14A ELECTRIC COOPERATIVE ASSOCIATION MEMBERSHIPS.

An electric ~~generation and transmission~~ cooperative association may have one or more classes of members. Qualifications, requirements, methods of acceptance, terms, conditions, termination, and other incidents of membership shall be set forth in the ~~bylaws~~

~~articles of incorporation of the association. An electric utility as defined in section 476.22 and a person who generates or transmits electric power for sale at wholesale to an electric utility may become a member in accordance with the bylaws.~~

Sec. 5. Section 499.16, Code 2001, is amended to read as follows:

499.16 SUBSCRIPTIONS — ISSUING CERTIFICATES.

If permitted by the association's articles of incorporation, any eligible subscriber for common stock or membership may vote and be treated as a member, after making part payment of the amount, if any, required to be paid for the common stock or membership in cash, giving the subscriber's note for the balance, and satisfying any other requirement for the subscription as set forth in the articles. A subscription may be forfeited as provided in section 499.32. Stock or a membership certificate shall not be issued until payment of the amount, if any, required to be paid for the stock or membership certificate is fully made. A subscriber shall not hold office until the subscriber's certificate has been issued.

Sec. 6. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved March 14, 2001

CHAPTER 13

REGULATION OF MULTIPLE EMPLOYER WELFARE ARRANGEMENTS

H.F. 325

AN ACT relating to regulation of multiple employer welfare arrangements by the commissioner of insurance, repealing the future repeal date for such regulation, and providing an effective date.

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

Section 1. Section 507A.4, subsection 10, Code 2001, is amended to read as follows:

10. a. Transactions involving a multiple employer welfare arrangement, as defined in section 3 of the federal Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1002, paragraph 40, if the multiple employer welfare arrangement meets all of the following conditions:

(1) The arrangement is administered by an authorized insurer or an authorized third-party administrator.

(2) The arrangement has been in existence and provided health insurance in Iowa for at least five years prior to July 1, 1997.

(3) The arrangement was established by a trade, industry, or professional association of employers that has a constitution or bylaws, and has been organized and maintained in good faith for at least ten continuous years prior to July 1, 1997.

(4) The arrangement registers with and obtains a certificate of registration issued by the commissioner of insurance.

(5) The arrangement is subject to the jurisdiction of the commissioner of insurance, including regulatory oversight and solvency standards as established by rules adopted by the commissioner of insurance pursuant to chapter 17A.

b. A multiple employer welfare arrangement registered with the commissioner of insurance ~~which that~~ does not meet the solvency standards established by rule adopted by the commissioner of insurance is subject to chapter 507C.