

Senate File 2314 - Enrolled

Senate File 2314

AN ACT

RELATING TO CERTAIN CORPORATIONS DOING BUSINESS IN THIS STATE,
INCLUDING RESTRICTIONS AND REQUIREMENTS IMPOSED ON NONPROFIT
CORPORATIONS ACQUIRING AGRICULTURAL LAND USED IN FARMING,
AND THE DUTIES AND LIABILITIES OF DIRECTORS OF FOR-PROFIT
AND NONPROFIT CORPORATIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

NONPROFIT CORPORATIONS ACQUIRING AGRICULTURAL LAND

Section 1. Section 9H.1, subsection 20, Code 2018, is amended to read as follows:

20. *“Nonprofit corporation”* means any of the following:

a. ~~Corporations organized under the provisions of chapter 504, Code 1989, or current chapter 504; or~~ A corporation as defined in section 504.141 that is not a foreign corporation as described in paragraph “b”.

b. ~~Corporations which qualify under 26 U.S.C. §501(c)(3)~~ A foreign corporation as defined in section 504.141.

Sec. 2. Section 9H.4, subsection 1, paragraph b, subparagraph (3), subparagraph division (a), subparagraph subdivisions (i) and (iv), Code 2018, are amended to read as follows:

(i) The corporation or limited liability company must not hold the agricultural land other than as a lessee. The term of the lease must be for not more than twelve years. The corporation or limited liability company shall not renew a

lease. The corporation or limited liability company shall not enter into a lease under this subparagraph subdivision, if the corporation or limited liability company has ever entered into another lease under this subparagraph (3), whether or not the lease is in effect. However, this subparagraph subdivision does not apply to a domestic nonprofit corporation organized under ~~chapter 504, Code 1989~~, or current ~~chapter 504~~ as defined in section 9H.1, subsection 20, paragraph "a".

(iv) The corporation or limited liability company must deliver a copy of the lease to the secretary of state. The secretary of state shall notify the lessee of receipt of the copy of the lease. However, this subparagraph division does not apply to a domestic nonprofit corporation organized under ~~chapter 504, Code 1989~~, or current ~~chapter 504~~ as defined in section 9H.1, subsection 20, paragraph "a".

Sec. 3. Section 9H.4, subsection 1, paragraph c, Code 2018, is amended to read as follows:

c. Agricultural land, including a leasehold interests interest, acquired by a nonprofit corporation organized under the provisions of ~~chapter 504, Code 1989~~, and current ~~chapter 504~~ as defined in section 9H.1, subsection 20, paragraph "a", including land acquired and operated by or for a state university for research, experimental, demonstration, foundation seed increase or test purposes and land acquired and operated by or for nonprofit corporations organized specifically for research, experimental, demonstration, foundation seed increase or test purposes in support of or in conjunction with a state university.

Sec. 4. Section 10B.1, subsection 9, Code 2018, is amended by striking the subsection and inserting in lieu thereof the following:

9. "*Nonprofit corporation*" means the same as defined in section 9H.1.

DIVISION II

CORPORATIONS FOR PECUNIARY PROFIT

Sec. 5. Section 491.16A, Code 2018, is amended to read as follows:

491.16A Directors and officers — duties and liabilities.
Sections 490.830, 490.831, and 490.833, sections 490.840

through 490.842, sections 490.860 through 490.863, and section 490.870 apply to corporations organized under or subject to this chapter.

DIVISION III

REVISED IOWA NONPROFIT CORPORATION ACT

Sec. 6. Section 504.832, subsection 1, paragraph a, Code 2018, is amended to read as follows:

a. That section 504.202, subsection 2, paragraph "d", or section 504.901 or the protection afforded by section 504.833 or 504.836, if interposed as a bar to the proceeding by the director, does not preclude liability.

CHARLES SCHNEIDER
President of the Senate

LINDA UPMEYER
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2314, Eighty-seventh General Assembly.

W. CHARLES SMITHSON
Secretary of the Senate

Approved _____, 2018

KIM REYNOLDS
Governor