

February 23, 1961.  
Passed on File.

**Senate File 411**  
By SHAFF and STUART.

Passed Senate, Date 4-11-61  
Vote: Ayes 45 Nays 0

Passed House, Date 5-5-61  
Vote: Ayes 93 Nays 0

Approved.....

## A BILL FOR

An Act to amend three hundred twenty-one (321), Acts of the Fifty-eighth General Assembly, relating to corporations for profit.

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

1 Section 1. Section four (4) of chapter three hundred  
2 twenty-one (321), Acts of the Fifty-eighth General Assembly, is  
3 hereby amended by adding thereto a new subsection as follows:

4 "To enter into general partnerships, limited partnerships,  
5 whether the corporation be a limited or general partner, joint  
6 ventures, syndicates, pools, associations and other arrangements  
7 for carrying on of any or all of the purposes for which the  
8 corporation is organized, jointly or in common with others."

1 Sec. 2. Section seven (7) of chapter three hundred twenty-  
2 one (321), Acts of the Fifty-eighth General Assembly, is hereby  
3 amended by adding at the end of subsection three (3) thereof the  
4 following: ", or a trade name which has been adopted by a  
5 domestic or a foreign corporation for use in this state in the  
6 manner provided by this Act."

1 Sec. 3. Section seven (7) of chapter three hundred twenty-  
2 one (321), Acts of the Fifty-eighth General Assembly, is hereby  
3 amended by striking therefrom subsection four (4) thereof and by  
4 inserting in lieu thereof the following:

5 "4. Shall be the name under which the corporation shall  
6 transact business in this state unless the corporation also shall

7 elect to adopt one or more trade names as provided in this Act.”

1 Sec. 4. Chapter three hundred twenty-one (321), Acts of the  
2 Fifty-eighth General Assembly, is hereby amended by adding,  
3 following section seven (7) thereof, a new section as follows:

4 “Trade name. A corporation may elect to adopt a trade name  
5 that is not the same as or deceptively similar to the corporate  
6 name of any other domestic corporation existing under the laws of  
7 this state or of any foreign corporation authorized to transact  
8 business in this state, or the same as or deceptively similar to  
9 any name registered or reserved under the provisions of this Act.

10 Such election shall be made by filing with the secretary of  
11 state an application executed by an officer of the corporation,  
12 setting forth such trade name and paying to the secretary of  
13 state a filing fee of twenty dollars.

14 If such trade name complies with the provisions of this Act  
15 the secretary of state shall issue a certificate authorizing the  
16 use of said name, but such certificate shall not confer any right  
17 to the use of said name as against any person having any prior  
18 right to the use thereof.

19 At the time annual license fees are payable under this Act,  
20 a corporation which has elected to adopt a trade name shall pay  
21 to the secretary of state an annual fee of five dollars for such  
22 trade name.

23 If the corporation fails to pay the annual fee when due and  
24 payable, the secretary of state shall give notice to the  
25 corporation of such nonpayment by registered or certified mail;  
26 and if such fee together with a penalty of five dollars is not  
27 paid within sixty days after such notice is mailed, the right to

28 use such trade name shall cease.

29 A separate application and annual fee shall be filed and paid  
30 for each trade name adopted by the corporation.”

1 Sec. 5. Section nineteen (19) of chapter three hundred  
2 twenty-one (321), Acts of the Fifty-eighth General Assembly, is  
3 hereby amended by adding after the word “employees” in line  
4 thirteen (13) thereof the following: “. as such,”.

1 Sec. 6. Section thirty-four (34) of chapter three hundred  
2 twenty-one (321), Acts of the Fifty-eighth General Assembly, is  
3 hereby amended by striking the first sentence thereof and by  
4 inserting in lieu thereof the following: “The business and  
5 affairs of a corporation shall be managed by a board of one or  
6 more directors.”

1 Sec. 7. Section thirty-seven (37) of chapter three hundred  
2 twenty-one (321), Acts of the Fifty-eighth General Assembly, is  
3 hereby amended by striking the provisions thereof and inserting  
4 the following:

5 “Unless otherwise provided in the articles of incorporation  
6 or the bylaws, any vacancy occurring in the board of directors  
7 and any directorship to be filled by reason of an increase in the  
8 number of directors may be filled by the affirmative vote of a  
9 majority of the directors then in office, even if less than a  
10 quorum of the board of directors. Unless otherwise provided in  
11 the articles of incorporation or the bylaws, a director so  
12 elected shall be elected for the unexpired term of his  
13 predecessor in office or the full term of such new directorship.”

1 Sec. 8. Section sixty-one (61) of chapter three hundred  
2 twenty-one (321), Acts of the Fifty-eighth General Assembly, is

3 hereby amended by striking the provisions thereof and inserting  
4 the following:

5 "A domestic corporation may at any time restate its articles of  
6 incorporation, which may be amended by such restatement, so long  
7 as its articles of incorporation as so restated contain only such  
8 provisions as might be lawfully contained in original articles  
9 of incorporation at the time of making such restatement, by the  
10 adoption of restated articles of incorporation, including any  
11 amendments to its articles of incorporation to be made thereby,  
12 in the following manner:

13 1. The board of directors shall adopt a resolution setting  
14 forth the proposed restated articles of incorporation, which may  
15 include an amendment or amendments to the corporation's articles  
16 of incorporation to be made thereby, and directing that such  
17 restated articles, including such amendment or amendments, be  
18 submitted to a vote at a meeting of shareholders, which may be  
19 either an annual or a special meeting.

20 2. Written or printed notice setting forth the proposed  
21 restated articles or a summary of the provisions thereof shall be  
22 given to each shareholder of record entitled to vote thereon  
23 within the time and in the manner provided in this Act for the  
24 giving of notice of meetings of shareholders. If the meeting be  
25 an annual meeting, the proposed restated articles may be included  
26 in the notice of such annual meeting. If the restated articles  
27 include an amendment or amendments to the articles of  
28 incorporation to be made thereby, the notice shall separately  
29 set forth such amendment or amendments or a summary of the  
30 changes to be effected thereby.

31 3. At such meeting a vote of the shareholders entitled to vote

32 thereon shall be taken on the proposed restated articles. The  
33 proposed restated articles shall be adopted upon receiving the  
34 affirmative vote of the holders of a majority of the shares  
35 entitled to vote thereon, unless such restated articles include  
36 an amendment to the articles of incorporation to be made thereby  
37 which, if contained in a proposed amendment to articles of  
38 incorporation to be made without restatement of the articles of  
39 incorporation, would entitle a class of shares to vote as a class  
40 thereon, in which event the proposed restated articles shall be  
41 adopted upon receiving the affirmative vote of the holders of a  
42 majority of the shares of each class of shares entitled to vote  
43 thereon as a class, and of the total shares entitled to vote  
44 thereon.

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

- 53 a. The name of the corporation;
- 54 b. If its duration is for a limited period, the date of  
55 expiration;
- 56 c. The purpose or purposes which the corporation is  
57 authorized to pursue, or that the corporation has unlimited power  
58 to engage in, and to do any lawful act concerning, any and all  
59 lawful businesses for which corporations may be organized under

60 this Act;

61 d. The aggregate number of shares which the corporation has  
62 authority to issue; if such shares consist of one class only, the  
63 par value of each such shares, or a statement that all of such  
64 shares are without par value; or, if such shares are divided into  
65 classes, the number of shares of each class, and a statement of  
66 the par value of the shares of each such class or that such  
67 shares are without par value;

68 e. If the shares are divided into classes, the designation of  
69 each class and a statement of the preferences, voting rights, if  
70 any, limitations and relative rights in respect of the shares of  
71 each class;

72 f. If the shares of any preferred or special class are  
73 issuable in series, the designation of each series and a  
74 statement of the variations in the relative rights and  
75 preferences as between series insofar as the same are fixed in  
76 the restated articles of incorporation, and a statement of any  
77 authority vested in the board of directors to establish series  
78 and fix and determine the variations in the relative rights and  
79 preferences as between series;

80 g. Any provisions limiting or denying to shareholders the  
81 pre-emptive right to acquire additional shares of the corporation  
82 or giving to shareholders the pre-emptive right to acquire  
83 treasury shares of the corporation;

84 h. Any other provisions, not inconsistent with law or the  
85 purposes which the corporation is authorized to pursue, which are  
86 set forth in the articles of incorporation; except that it shall  
87 not be necessary to set forth any statement with respect to the  
88 chapter of the Code or Session Laws under which the corporation

89 was incorporated, its registered office, registered agent,  
90 directors, or incorporators, or the date on which its corporate  
91 existence began.

92 The restated articles of incorporation shall set forth also a  
93 statement that they correctly set forth the provisions of the  
94 articles of incorporation as theretofore or thereby amended, that  
95 they have been duly adopted as required by law and that they  
96 supersede the original articles of incorporation and all  
97 amendments thereto.

98 The restated articles of incorporation shall be delivered to  
99 the secretary of state for filing and recording in his office and  
100 the same shall be filed and recorded in the office of the county  
101 recorder.

102 The secretary of state upon filing the restated articles of  
103 incorporation shall issue a restated certificate of incorporation  
104 and send the same to the corporation or its representative.

105 Upon the issuance of the restated certificate of incorporation  
106 by the secretary of state, the restated articles of incorporation  
107 including any amendment or ammendments to the articles of  
108 incorporation made thereby, shall become effective and shall  
109 supersede the original articles of incorporation and all  
110 amendments thereto.

111 No amendment shall affect the existing rights of persons other  
112 than shareholders, or any existing cause of action in favor of  
113 or against such corporation, or any pending suit to which such  
114 corporation shall be a party; and, in the event the corporate  
115 name shall be changed by amendment, no suit brought by or against  
116 such corporation under its former name shall abate for that  
117 reason."

1     Sec. 9. Section ninety-one (91) of chapter three hundred  
2     twenty-one (321), Acts of the Fifty-eighth General Assembly, is  
3     hereby amended by adding thereto a new paragraph as follows:  
4     “A corporation may be dissolved involuntarily by order of the  
5     secretary of state if all notices have been sent to the  
6     corporation by the secretary of state as required by section  
7     ninety-two (92) of this Act and the corporation shall have failed  
8     to file an annual report or pay an annual license fee as required  
9     by this Act for three (3) consecutive years and shall not have  
10    been otherwise dissolved. The order of the secretary of state  
11    for the dissolution of such a corporation shall be entered in a  
12    permanent journal therefor maintained by him in his office and  
13    may be entered therein by him at any time after the last day for  
14    the filing of such third annual report. Upon the entry of such  
15    an order of dissolution of a corporation, the existence of the  
16    corporation shall cease, except for the purpose of suits, other  
17    proceedings and appropriate corporate action by shareholders,  
18    directors and officers as provided in this Act and the  
19    corporation shall proceed to liquidate its business and affairs  
20    as provided by this Act in cases of dissolution by consent of  
21    shareholders or by act of the corporation, provided, however,  
22    that the district court in a suit in equity shall have full power  
23    to liquidate the assets and business of such a corporation upon  
24    application by such corporation or in a suit by a shareholder or  
25    creditor of such corporation when such corporation fails to  
26    proceed promptly with such liquidation or to make application to  
27    court therefor. Such an order of dissolution of a corporation  
28    certified by the secretary of state shall be taken and received

29 in all courts as prima facie evidence of the facts therein  
30 stated.”

1 Sec. 10. Section one hundred twenty-two (122) of chapter three  
2 hundred twenty-one (321), Acts of the Fifty-eighth General  
3 Assembly, is hereby amended by inserting following the word  
4 “Act” in line fourteen (14) thereof the following: “and that all  
5 prior annual reports required by this Act to be filed by such  
6 corporation or foreign corporation have been filed and that all  
7 annual license fees and penalties, if any, required by this Act  
8 to have been theretofore paid by such corporation or foreign  
9 corporation have been paid”.

1 Sec. 11. Section one hundred five (105) of chapter three  
2 hundred twenty-one (321), Acts of the Fifty-eighth General  
3 Assembly, is hereby amended by adding at the end of subsection  
4 three (3) thereof the following:

5 “. or a trade name which has been adopted by a domestic or a  
6 foreign corporation for use in this state in the manner provided  
7 by this Act.”

8 Section one hundred five (105) of chapter three hundred  
9 twenty-one (321), Acts of the Fifty-eighth General Assembly, is  
10 further amended by adding thereto the following as a new  
11 paragraph after subsection three (3):

12 “The corporate name of such foreign corporation shall be the  
13 name under which the corporation shall transact its business in  
14 this state unless the corporation also shall elect to adopt one  
15 or more trade names as provided in this Act.”

1 Sec. 12. Chapter three hundred twenty-one (321), Acts of the  
2 Fifty-eighth General Assembly, is hereby amended by adding,  
3 following section one hundred five (105) thereof, a new section

4 as follows:

5 "Trade name of foreign corporation. A foreign corporation  
6 authorized to transact business in this state may elect to adopt  
7 a trade name that is not the same as or deceptively similar to  
8 the corporate name of any domestic corporation existing under the  
9 laws of this state or of any other foreign corporation authorized  
10 to transact business in this state, or the same as or deceptively  
11 similar to any name registered or reserved under the provisions  
12 of this Act.

13 Such election shall be made by filing with the secretary of  
14 state an application executed by an officer of the corporation,  
15 setting forth such trade name and paying to the secretary of  
16 state a filing fee of twenty dollars.

17 If such trade name complies with the provisions of this Act the  
18 secretary of state shall issue a certificate authorizing the  
19 use of said name, but such certificate shall not confer any right  
20 to the use of said name as against any person having any prior  
21 right to the use thereof.

22 At the time annual license fees are payable under this Act, a  
23 foreign corporation which has elected to adopt a trade name shall  
24 pay to the secretary of state an annual fee of five dollars for  
25 such trade name.

26 If such corporation fails to pay the annual fee when due and  
27 payable, the secretary of state shall give notice to the  
28 corporation of such nonpayment by registered or certified mail;  
29 and if such fee together with a penalty of five dollars is not  
30 paid within sixty days after such notice is mailed, the right to  
31 use such trade name shall cease.

32 A separate application and annual fee shall be filed and paid

33 for each trade name adopted by a foreign corporation.”

1     Sec. 13. Section one hundred twenty-eight (128) of chapter  
2 three hundred twenty-one (321), Acts of the Fifty-eighth General  
3 Assembly, is hereby amended by repealing the last paragraph  
4 thereof.

1     Sec. 14. Section one hundred forty-two (142) of chapter three  
2 hundred twenty-one, Acts of the Fifty-eighth General Assembly, is  
3 hereby amended as follows:

4     1. By inserting following the word “to” and before the word  
5 “the” in line seventeen (17) of subsection eleven (11) thereof  
6 the following: “an amendment, if any, adopted at the same time  
7 as the election by the corporation to adopt the provisions of  
8 this Act, changing the duration of such corporation or, if none,  
9 to”.

10    2. By striking from line nineteen (19) of subsection eleven  
11 (11) thereof the word “affective” and by inserting in lieu  
12 thereof the words “applicable to such corporation”.

13    3. By adding thereto following subsection eleven (11) two new  
subsections as follows:

“Any domestic corporation which elects to adopt the provisions  
16 of this Act by complying with the provisions of subsection three  
17 (3) of this section may, at the same time, amend or restate its  
18 articles of incorporation by complying with the provisions of  
19 this Act with respect to amending articles of incorporation or  
20 restating articles of incorporation, as the case may be,

21     “The provisions of sections one hundred thirty-nine (139) and  
22 one hundred forty (140) of this Act shall apply to any action  
23 required or permitted to be taken under this section.”

1     Sec. 15. Section one hundred forty-five (145) of chapter  
 2     three hundred twenty-one (321), Acts of the Fifty-eighth General  
 3     Assembly, is hereby amended by striking from line two (2) thereof  
 4     the words "doing business within the state" and by inserting in  
 5     lieu thereof the following: ", domestic or foreign".

SENATE FILE 411

1     Amend Senate File 411, Section 14, line 11, by striking  
 2     "affective" and by inserting in lieu thereof "effective".

*Adopted*  
*4/11*

Filed  
 April 10, 1961.

By: *Stover*

SENATE FILE

1     Amend Senate File 411 by adding the following new section:  
 2     "Amend chapter three hundred twenty-one (321), Acts of the  
 3     Fifty-eighth General Assembly, by striking section one  
 4     hundred forty-five (145) and insert in lieu thereof the  
 5     following:  
 6     . It shall be lawful for any corporation doing business  
 7     within the State of Iowa to give or contribute money or  
 8     property to any political committee, political party or to  
 9     any candidate for any public office or candidate for nomination  
 10    for any public office for campaign expenses for any public  
 11    office, which contribution shall not exceed the sum of one  
 12    thousand (1,000) dollars to any political committee or political  
 13    party, or the sum of five hundred (500) dollars to any candidate  
 14    for any public office or candidate for nomination to any public  
 15    office during any one year, provided that such contributions  
 16    are fully reported as provided by law."

Filed  
 April 10, 1961.

*Lock*  
*4/11*

By NOLAN.