

February 9, 1970  
Passed on File

SENATE FILE 1209

By COMMITTEE ON COMMERCE  
(Committee on Commerce)

Passed Senate, Date 2-13-70 Passed House, Date 3-4-70

Vote: Ayes 40 Nays 4 Vote: Ayes 101 Nays 0

Approved 3-13-70

*Motion to reconsider filed 2-13. Withdrawn 2-18*

## A BILL FOR

*Sub. for S. F. 1209 3/4*

- 1 An Act relating to membership on the boards of directors of
- 2 economic development corporations.
- 3 *Be It Enacted by the General Assembly of the State of Iowa:*
- 4 Section 1. Section four hundred ninety-six B point thirteen
- 5 (496B-13), Code 1966, as amended by chapter two hundred sixty-
- 6 seven (267), section three (3), Acts of the Sixty-third General
- 7 Assembly, First Session, is further amended by adding at the
- 8 end thereof the following new paragraph:
- 9 "Notwithstanding any provisions of law to the contrary,
- 10 officers and directors of insurance companies and other financial
- 11 institutions may be members of the board of directors of any
- 12 corporation organized for the purposes of this chapter to which
- 13 the insurance company or other financial institution may make a
- 14 loan or may make an investment."

### EXPLANATION

This bill is designed to encourage insurance companies and other financial institutions to make loans to and investments in Economic Development Corporations, provided for under Chapter 496B of the Code, by clearly establishing that the officers and directors of such companies and institutions may properly be members of the board of directors of Chapter 496B corporations to which their companies or institutions may make loans or may make investments. It is believed that, if the officers and directors of such companies and institutions have a voice in loan and investment decisions, loans and investments by their companies will be encouraged. Further, it is in the best interests of the purposes of Chapter 496B of the Code that the talents of these investment experts be available.