

FEB 29 1988

Place On Calendar

HOUSE FILE 2355  
BY COMMITTEE ON AGRICULTURE

*Substitute for S.F. 2105*  
(Formerly House Study Bill 740)

Passed House, Date 3/7/88 (p. 101) Passed Senate, Date 5/15/88 (p. 105)

Vote: Ayes 88 Nays 1 Vote: Ayes 43 Nays 0

Approved March 31, 1988 (p. 1316)  
*motion to amend to add 2nd  
to also Study Bill*

A BILL FOR

1 An Act relating to cooperative associations by providing for  
2 their purposes and powers.

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

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HF 2355

1 Section 1. Section 499.2, unnumbered paragraphs 1 and 4,  
2 Code 1987, are amended to read as follows:

3 A "co-operative association" is one which ~~in-servicing-some~~  
4 ~~purpose-enumerated-in-section-499-6~~, deals with or functions  
5 for its members at least to the extent required by section  
6 499.37; and which distributes its net earnings among its  
7 members in proportion to their dealings with it, except for  
8 limited dividends or other items permitted in this chapter;  
9 and in which each voting member has one vote and no more.

10 "Agricultural associations" are those formed ~~for-a-purpose~~  
11 ~~specified-in-subsection-2, section-499-6~~ to produce, grade,  
12 blend, preserve, process, store, warehouse, market, sell, or  
13 handle an agricultural product, or a by-product of an  
14 agriculture product; to purchase, produce, sell, or supply  
15 machinery, petroleum products, equipment, fertilizer,  
16 supplies, business services, or educational service to or for  
17 those engaged as bona fide producers of agricultural products;  
18 to finance any such activities; or to engage in any co-  
19 operative activity connected with or for any number of these  
20 purposes.

21 Sec. 2. Section 499.6, Code 1987, is amended by striking  
22 the section and inserting in lieu thereof the following:

23 499.6 OBJECTS.

24 A cooperative association may be organized under this  
25 chapter for any lawful purpose or purposes.

26 Sec. 3. Section 499.7, unnumbered paragraph 1, and  
27 subsection 1, Code 1987, are amended to read as follows:

28 Except as expressly limited in its articles, each  
29 association ~~shall-have-power-to-do-anything-permitted-anywhere~~  
30 ~~in-this-chapter,-and-also~~ has the following powers:

- 31 1. ~~To-conduct-any-business-enumerated-in-section-499-6~~  
32 ~~which-its-articles-specify,-and-to-conduct-such-business~~  
33 ~~either-as-principal-or-as-agent-for-its-members~~ To conduct  
34 business, carry on operations, establish and operate offices,  
35 and exercise all powers granted by this chapter in or outside

1 this state.

2 EXPLANATION

3 This bill provides that a cooperative may be organized for  
4 any lawful purpose. It provides for the granting of powers to  
5 a cooperative to conduct business and carry on operations in  
6 or outside of this state.

7 SUCCESSOR TO HSB 740 (LSB 7853HC)

8 COMPANION TO LSB 7857S

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HSB 740

Agriculture

*Handwritten mark*

House Study Bill 740

Agriculture: Gruhn, Chair, Hatch and Peilett.

HOUSE FILE 2355

BY (PROPOSED COMMITTEE ON  
AGRICULTURE BILL BY GRUHN)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to cooperative associations by providing for  
2 their purposes and powers.

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

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1 Section 1. Section 499.2, unnumbered paragraphs 1 and 4,  
2 Code 1987, are amended to read as follows:

3 A "co-operative association" is one which ~~in-servng-some~~  
4 ~~purpose-enumerated-in-section-499-6~~ deals with or functions  
5 for its members at least to the extent required by section  
6 499.3~~7~~; and which distributes its net earnings among its  
7 members in proportion to their dealings with it, except for  
8 limited dividends or other items permitted in this chapter;  
9 and in which each voting member has one vote and no more.

10 "Agricultural associations" are those formed ~~for-a-purpose~~  
11 ~~specified-in-subsection-27-section-499-6~~ to produce, grade,  
12 blend, preserve, process, store, warehouse, market, sell, or  
13 handle an agricultural product, or a by-product of an  
14 agriculture product; to purchase, produce, sell, or supply  
15 machinery, petroleum products, equipment, fertilizer,  
16 supplies, business services, or educational service to or for  
17 those engaged as bona fide producers of agricultural products;  
18 to finance any such activities; or to engage in any co-  
19 operative activity connected with or for any number of these  
20 purposes.

21 Sec. 2. Section 499.6, Code 1987, is amended by striking  
22 the section and inserting in lieu thereof the following:

23 499.6 OBJECTS.

24 A cooperative association may be organized under this  
25 chapter for any lawful purpose or purposes.

26 Sec. 3. Section 499.7, unnumbered paragraph 1, and  
27 subsection 1, Code 1987, are amended to read as follows:

28 Except as expressly limited in its articles, each  
29 association ~~shall-have-power-to-do-anything-permitted-anywhere~~  
30 ~~in-this-chapter-and-also~~ has the following powers:

31 ~~To-conduct-any-business-enumerated-in-section-499-6~~  
32 ~~which-its-articles-specify-and-to-conduct-such-business~~  
33 ~~either-as-principal-or-as-agent-for-its-members~~ To conduct  
34 business, carry on operations, establish and operate offices,  
35 and exercise all powers granted by this chapter in or outside

1 this state.

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EXPLANATION

3 This bill provides that a cooperative may be organized for  
4 any lawful purpose. It provides for the granting of powers to  
5 a cooperative to conduct business and carry on operations in  
6 or outside of this state.

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COMPANION TO LSB 7857S

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HOUSE FILE 2355

AN ACT  
RELATING TO COOPERATIVE ASSOCIATIONS BY PROVIDING FOR THEIR  
PURPOSES AND POWERS.

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

Section 1. Section 499.2, unnumbered paragraphs 1 and 4, Code 1987, are amended to read as follows:

A "co-operative association" is one which ~~in serving some purpose enumerated in section 499.6;~~ deals with or functions for its members at least to the extent required by section 499.3; and which distributes its net earnings among its members in proportion to their dealings with it, except for limited dividends or other items permitted in this chapter; and in which each voting member has one vote and no more.

"Agricultural associations" are those formed ~~for a purpose specified in subsection 2, section 499.6 to produce, grade, blend, preserve, process, store, warehouse, market, sell, or handle an agricultural product, or a by-product of an agriculture product; to purchase, produce, sell, or supply machinery, petroleum products, equipment, fertilizer, supplies, business services, or educational service to or for those engaged as bona fide producers of agricultural products; to finance any such activities; or to engage in any co-operative activity connected with or for any number of these purposes.~~

Sec. 2. Section 499.6, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

499.6 OBJECTS.

A cooperative association may be organized under this chapter for any lawful purpose or purposes.

Sec. 3. Section 499.7, unnumbered paragraph 1, and subsection 1, Code 1987, are amended to read as follows:

Except as expressly limited in its articles, each association ~~shall have power to do anything permitted anywhere in this chapter; and also has the following powers:~~

1. ~~To conduct any business enumerated in section 499.6 which its articles specify; and to conduct such business either as principal or as agent for its members To conduct business, carry on operations, establish and operate offices, and exercise all powers granted by this chapter in or outside this state.~~

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2355, Seventy-second General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved *March 31*, 1988

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TERRY E. BRANSTAD  
Governor