

Don. Coy 7/21, No. 100 (p 809)

FEB 19 1992

Place On Calendar

HOUSE FILE 2262
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HSB 619)

Passed House, Date Feb 25, 1992 Passed Senate, Date 3/20/92 (7.10.69)
Vote: Ayes 96 Nays 0 Vote: Ayes 48 Nays 0
Approved April 13, 1992 (71331)

A BILL FOR

1 An Act relating to the organization of cooperative associations.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2262

1 Section 1. Section 499.43, unnumbered paragraph 1, Code
2 1991, is amended to read as follows:

3 An existing Iowa co-operative corporation organized
4 pursuant to chapter 497, by a majority vote of all its
5 members, at a meeting called for that purpose and held before
6 its present articles expire, may amend its articles to comply
7 with this chapter and section 499.40, which may extend its
8 corporate duration. The amended articles shall be executed
9 and filed, and a certificate of incorporation issued, as
10 required by section 499.44. Upon issuance of the certificate,
11 the corporation shall be deemed an association under this
12 chapter.

13 Sec. 2. NEW SECTION. 499.43A EXISTING COOPERATIVES
14 ORGANIZED UNDER CHAPTER 498 -- OPTION.

15 A cooperative association organized under chapter 498 may
16 elect to be governed by and to comply with the provisions of
17 this chapter. The election shall be governed by the following
18 procedures:

19 1. The board of directors and members must adopt a
20 resolution reciting that the cooperative association elects to
21 be governed by and to comply with this chapter. The
22 cooperative association, to the extent necessary, shall change
23 its name to comply with the provisions of this chapter. The
24 resolution shall be adopted according to the same procedures
25 as provided in section 499.41. Upon the adoption of the
26 resolution, the cooperative association shall execute an
27 instrument on forms prescribed by the secretary of state. The
28 instrument must be signed by the president and secretary and
29 verified by one of the officers signing the instrument. The
30 instrument shall include all of the following:

31 a. The name of the cooperative association, before and
32 after this election.

33 b. A description of each resolution adopted by the
34 cooperative association pursuant to this section, including
35 the date each resolution was adopted.

1 2. The instrument shall be filed with the secretary of
2 state and with the county recorder in the county in which the
3 principal office of the cooperative association is located.
4 The cooperative association shall amend its articles of
5 incorporation pursuant to section 499.41 to comply with the
6 provisions of this chapter. The secretary of state shall not
7 file the instrument unless the cooperative association is in
8 compliance with the provisions of chapter 498 at the time of
9 filing. A cooperative association shall file an annual report
10 which is due pursuant to section 499.49. Upon filing the
11 instrument with the secretary, all of the following shall
12 apply:

13 a. The cooperative association shall be deemed to be
14 organized under this chapter and the provisions of this
15 chapter shall apply to the cooperative association.

16 b. The secretary of state shall issue a certificate to the
17 cooperative association acknowledging that it is deemed to be
18 organized under this chapter.

19 3. The application of this chapter to the cooperative
20 association does not affect a right accrued or established, or
21 liability or penalty incurred pursuant to chapter 498, prior
22 to the filing of the instrument with the secretary of state.

23 EXPLANATION

24 This bill amends chapter 499 providing for the
25 establishment and regulation of cooperative associations. The
26 Code provides that cooperative associations originally
27 chartered before July 4, 1935, must be organized under chapter
28 497 or 498. Chapter 499 is applicable to associations formed
29 on and after July 4, 1935, and those electing to be governed
30 under the chapter pursuant to a transitional provision,
31 section 499.43. This bill provides that section 499.43
32 applies only to cooperative associations organized under
33 chapter 497. The bill establishes a new transitional
34 procedure for cooperative associations organized under chapter
35 498. The board of directors and members must adopt a

1 resolution reciting that the cooperative association adopts
2 chapter 499. The resolution must be adopted according to the
3 same procedures as associations amending articles of
4 incorporation under the chapter. The resolution must be
5 recorded with the secretary of state and with the county
6 recorder in the county in which the principal office of the
7 cooperative association is located. The secretary of state
8 must issue a certificate to the cooperative association
9 acknowledging that it is deemed to be organized under chapter
10 499.

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HSB 619

Agriculture

Now

HOUSE FILE

2262

BY (PROPOSED COMMITTEE
ON AGRICULTURE BILL
BY CHAIRPERSON FOGARTY)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the organization of cooperative associations.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SUB COMMITTEE ASSIGNMENTS
Chair *Fogarty*
COMMITTEE: *Agriculture*
2/14/92

1 Section 1. Section 499.43, unnumbered paragraph 1, Code
2 1991, is amended to read as follows:

3 An existing Iowa co-operative corporation organized
4 pursuant to chapter 497, by a majority vote of all its
5 members, at a meeting called for that purpose and held before
6 its present articles expire, may amend its articles to comply
7 with this chapter and section 499.40, which may extend its
8 corporate duration. The amended articles shall be executed
9 and filed, and a certificate of incorporation issued, as
10 required by section 499.44. Upon issuance of the certificate,
11 the corporation shall be deemed an association under this
12 chapter.

13 Sec. 2. NEW SECTION. 499.43A EXISTING COOPERATIVES
14 ORGANIZED UNDER CHAPTER 498 -- OPTION.

15 A cooperative association organized under chapter 498 may
16 elect to be governed by and to comply with the provisions of
17 this chapter. The election shall be governed by the following
18 procedures:

19 1. The board of directors and members must adopt a
20 resolution reciting that the cooperative association elects to
21 be governed by and to comply with this chapter. The
22 cooperative association, to the extent necessary, shall change
23 its name to comply with the provisions of this chapter. The
24 resolution shall be adopted according to the same procedures
25 as provided in section 499.41. Upon the adoption of the
26 resolution, the cooperative association shall execute an
27 instrument on forms prescribed by the secretary of state. The
28 instrument must be signed by the president and secretary and
29 verified by one of the officers signing the instrument. The
30 instrument shall include all of the following:

31 a. The name of the cooperative association, before and
32 after this election.

33 b. A description of each resolution adopted by the
34 cooperative association pursuant to this section, including
35 the date each resolution was adopted.

1 resolution reciting that the cooperative association adopts
2 chapter 499. The resolution must be adopted according to the
3 same procedures as associations amending articles of
4 incorporation under the chapter. The resolution must be
5 recorded with the secretary of state and with the county
6 recorder in the county in which the principal office of the
7 cooperative association is located. The secretary of state
8 must issue a certificate to the cooperative association
9 acknowledging that it is deemed to be organized under chapter
10 499.

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HOUSE FILE 2262

AN ACT

RELATING TO THE ORGANIZATION OF COOPERATIVE ASSOCIATIONS.

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

Section 1. Section 499.43, unnumbered paragraph 1, Code 1991, is amended to read as follows:

An existing Iowa co-operative corporation organized pursuant to chapter 497, by a majority vote of all its members, at a meeting called for that purpose and held before its present articles expire, may amend its articles to comply with this chapter and section 499.40, which may extend its corporate duration. The amended articles shall be executed and filed, and a certificate of incorporation issued, as required by section 499.44. Upon issuance of the certificate, the corporation shall be deemed an association under this chapter.

Sec. 2. NEW SECTION. 499.43A EXISTING COOPERATIVES ORGANIZED UNDER CHAPTER 498 -- OPTION.

A cooperative association organized under chapter 498 may elect to be governed by and to comply with the provisions of

this chapter. The election shall be governed by the following procedures:

1. The board of directors and members must adopt a resolution reciting that the cooperative association elects to be governed by and to comply with this chapter. The cooperative association, to the extent necessary, shall change its name to comply with the provisions of this chapter. The resolution shall be adopted according to the same procedures as provided in section 499.41. Upon the adoption of the resolution, the cooperative association shall execute an instrument on forms prescribed by the secretary of state. The instrument must be signed by the president and secretary and verified by one of the officers signing the instrument. The instrument shall include all of the following:

- a. The name of the cooperative association, before and after this election.
- b. A description of each resolution adopted by the cooperative association pursuant to this section, including the date each resolution was adopted.

2. The instrument shall be filed with the secretary of state and with the county recorder in the county in which the principal office of the cooperative association is located. The cooperative association shall amend its articles of incorporation pursuant to section 499.41 to comply with the provisions of this chapter. The secretary of state shall not file the instrument unless the cooperative association is in compliance with the provisions of chapter 498 at the time of filing. A cooperative association shall file an annual report which is due pursuant to section 499.49. Upon filing the instrument with the secretary, all of the following shall apply:

- a. The cooperative association shall be deemed to be organized under this chapter and the provisions of this chapter shall apply to the cooperative association.

b. The secretary of state shall issue a certificate to the cooperative association acknowledging that it is deemed to be organized under this chapter.

3. The application of this chapter to the cooperative association does not affect a right accrued or established, or liability or penalty incurred pursuant to chapter 498, prior to the filing of the instrument with the secretary of state.

ROBERT C. ARNOULD
Speaker of the House

MICHAEL E. GRONSTAL
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2262, Seventy-fourth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved April 13, 1992

TERRY E. BRANSTAD
Governor