

Substituted by S.F. 2283 (p. 1408)

4/8/96

WITHDRAWN

FEB 27 1996
Place On Calendar

HOUSE FILE **2349**
BY COMMITTEE ON COMMERCE AND
REGULATION

(SUCCESSOR TO HSB 633)

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

A BILL FOR

1 An Act relating to voting, the distribution of earnings, and the
2 bylaws of a cooperative association.

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

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HF 2349

WITHDRAWN

1 Section 1. Section 499.29, Code 1995, is amended to read
2 as follows:

3 499.29 MANNER OF VOTING.

4 Votes shall be cast in person, and not by proxy. The vote
5 of a member-association shall be cast only by its
6 representative duly authorized in writing. If the articles or
7 bylaws permit, an-absent a member may cast that member's
8 signed-written vote, in advance of the meeting, upon any
9 proposition of which the member has been previously notified
10 in writing, ~~and of which a copy accompanies the member's vote.~~

11 Sec. 2. Section 499.30, subsection 2, paragraph b, Code
12 Supplement 1995, is amended to read as follows:

13 b. To the extent that the cooperative association is not
14 operating on a pooling basis as provided in this subsection,
15 at least ten percent of the remaining earnings must be added
16 to surplus until surplus equals either thirty percent of the
17 total of all capital paid in for stock or memberships, plus
18 all unpaid patronage dividends, plus certificates of
19 indebtedness payable upon liquidation, earnings from nonmember
20 business, and earnings arising from the earnings of other
21 cooperative organizations of which the association is a
22 member, or one thousand dollars, whichever is greater. No
23 additions shall be made to surplus when it exceeds either
24 fifty percent of the total, or one thousand dollars, whichever
25 is greater, without the approval of the membership by a
26 majority of votes cast.

27 Sec. 3. Section 499.46, Code 1995, is amended to read as
28 follows:

29 499.46 BYLAWS.

30 The directors, by a vote of seventy-five percent of the
31 directors, may adopt, alter, amend, or repeal bylaws for the
32 association, which shall remain in force until altered,
33 amended, or repealed by a vote of seventy-five percent of the
34 members present or represented having voting privileges, at
35 any annual meeting or special meeting of the membership, ~~or as~~

1 ~~otherwise provided in the articles of incorporation or bylaws~~
2 provided that at least ten days' prior written notice of the
3 impending membership vote has been mailed to all members of
4 the association with a copy or summary of the proposed
5 adoption, alteration, amendment, or repeal of the bylaws.
6 Proposals by members to adopt, alter, amend, or repeal bylaws
7 by vote of the membership shall be presented to the
8 association's registered office for mailing to the membership
9 by the association at least twenty days prior to the meeting
10 at which the proposed change is to be considered. Bylaws
11 shall be kept by the secretary subject to inspection by any
12 member at any time. Bylaws may deal with the fiscal or
13 internal affairs of the association or any subject of this
14 chapter in any manner not inconsistent with this chapter or
15 the articles.

16 EXPLANATION

17 This bill relates to voting, the distribution of earnings,
18 and the bylaws of a cooperative association. The bill
19 eliminates the provisions requiring a member's vote made in
20 writing in advance of the meeting to be signed by the member
21 and accompanied by a copy of the notice of the proposition
22 being voted on. These changes have the effect of allowing a
23 member to cast a secret absentee vote on issues that come
24 before a membership meeting of a cooperative association and
25 then attend the membership meeting without invalidating the
26 absentee ballot.

27 The bill amends the provision prohibiting additional
28 earnings from being added to the surplus of a cooperative
29 association when the surplus exceeds either 50 percent of the
30 total of all capital paid in for stock or membership, or
31 \$1,000, whichever is greater, by authorizing the membership,
32 by a majority of votes cast, to approve such an addition.

33 The bill provides that the members of a cooperative asso-
34 ciation may adopt, alter, amend, or repeal the bylaws of the
35 cooperative association provided that 10 days' prior written

1 notice of the impending membership vote is mailed to all
2 members by the association with a copy or summary of the
3 proposed change. The bill provides that proposals by members
4 to change the bylaws of the cooperative association by vote of
5 the membership must be presented to the cooperative
6 association's registered office for mailing to the membership
7 by the association at least 20 days prior to the meeting at
8 which the proposed change is to be considered.

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NUTT, CHAIR

BRUNK HORST

NELSON, L.

HSB633

COMMERCE - REGULATION
Succeeded By

HOUSE FILE SF (HF) 2349
BY (PROPOSED COMMITTEE ON
COMMERCE AND REGULATION
BILL BY CHAIRPERSON METCALF)

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