

MAR 8 1995

Agriculture

HOUSE FILE 305
BY DAGGETT

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

A BILL FOR

1 An Act relating to abandoned assets of cooperative associations.

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

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HF 305

1 Section 1. NEW SECTION. 499.30A ABANDONED ASSETS.
2 Unclaimed earnings, dividends on stock, memberships, local
3 deferred patronage dividends or local deferred patronage stock
4 which cannot be paid or redeemed because the assets have been
5 abandoned as provided in section 556.5, shall be credited to
6 the association and paid, redeemed, or retired on behalf of
7 the members and distributed as earnings as provided in section
8 499.30.

9 Sec. 2. Section 556.5, Code 1995, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 7. Unclaimed earnings, dividends on
12 stock, memberships, local deferred patronage dividends, or
13 local deferred patronage stock which cannot be paid or
14 redeemed by a cooperative association organized under chapter
15 499 because the assets have been abandoned as provided in this
16 section, shall be credited to the cooperative association, and
17 shall be paid, redeemed, or retired on behalf of the members
18 as provided in section 499.30.

19 EXPLANATION

20 Chapter 556 provides for the escheat of abandoned assets to
21 the state. Section 556.5 provides procedures for the
22 abandonment of stocks and other intangible interests in
23 business associations. This bill provides that unclaimed
24 earnings, dividends on stock, memberships, local deferred
25 patronage dividends, or local deferred patronage stock which
26 cannot be paid or redeemed by a cooperative association
27 organized under chapter 499 because the assets have been
28 abandoned as provided in section 556.5, must be credited to
29 the cooperative association, and must be paid, redeemed, or
30 retired on behalf of the members as provided for other
31 earnings.

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