

FILED FEB 5 1998

SMALL BUSINESS, ECON. DEV. & TOUR.

SENATE FILE 2133

BY McCOY and VILSACK

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

A BILL FOR

1 An Act relating to the composition of the board of directors of
 2 nonprofit corporations created by or in association with the
 3 Iowa finance authority, providing for the transfer of certain
 4 moneys, and providing an effective date.

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

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S.F. 2133

1 Section 1. Section 16.5, Code Supplement 1997, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 18. Require any nonprofit corporation
4 created by or in association with the authority since January
5 1, 1989, to include two representatives of nonprofit housing
6 organizations as voting members on the board of directors of
7 any such corporation. The failure of a nonprofit corporation
8 created by the authority to comply with this membership
9 requirement shall result in requiring the corporation to
10 transfer to the general fund of the state all unencumbered
11 moneys traceable to moneys originally transferred to the
12 corporation from the authority. However, moneys shall not be
13 transferred pursuant to this subsection if the transfer would
14 result in the impairment of contractual obligations or would
15 violate trust conditions.

16 Sec. 2. EFFECTIVE DATE. This Act takes effect August 1,
17 1998.

18 EXPLANATION

19 This bill requires any nonprofit corporation created by or
20 in association with the Iowa finance authority since January
21 1, 1989, to include two representatives of nonprofit housing
22 organizations as voting members on the board of directors of
23 any such corporation. The failure to comply with this
24 membership requirement would result in the corporation being
25 required to transfer to the general fund of the state all
26 unencumbered moneys traceable to moneys originally transferred
27 to the corporation from the authority. However, moneys shall
28 not be so transferred if the transfer would impair contractual
29 obligations or violate trust conditions.

30 The bill would take effect August 1, 1998.

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