

MAR 9 2006
Place On Calendar

HOUSE FILE 2725
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HSB 752)

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

A BILL FOR

1 An Act containing various provisions relating to business
2 entities, including limited partnerships, corporations,
3 limited liability companies, cooperatives, and nonprofit
4 corporations.

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

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HOUSE FILE 2725

H-8313

1 Amend House File 2725 as follows:
2 1. Title page, by striking lines 2 and 3 and
3 inserting the following: "entities, including
4 corporations, limited liability companies, and
5 nonprofit".

By KAUFMANN of Cedar

H-8313 FILED MARCH 20, 2006

HF 2725

1 DIVISION I
2 BUSINESS CORPORATIONS

3 Section 1. Section 490.401, subsection 2, paragraph b,
4 Code Supplement 2005, is amended by striking the paragraph and
5 inserting in lieu thereof the following:

6 b. A name reserved, registered, or protected as follows:

7 (1) For a limited liability partnership, section 486A.1001
8 or 486A.1002.

9 (2) For a limited partnership, section 488.108, 488.109,
10 or 488.810.

11 (3) For a business corporation, this section, or section
12 490.402, 490.403, or 490.1422.

13 (4) For a limited liability company, section 490A.401 or
14 490A.402.

15 (5) For a nonprofit corporation, section 504.401, 504.402,
16 504.403, or 504.1423.

17 Sec. 2. Section 490.401, subsection 5, Code Supplement
18 2005, is amended to read as follows:

19 5. This chapter does not control the use of fictitious
20 names; however, if a corporation or a foreign corporation uses
21 a fictitious name in this state it shall deliver to the
22 secretary of state for filing a certified copy of the
23 ~~resolution of its board of directors, certified by its~~
24 ~~secretary filed and executed according to section 490.120,~~
25 adopting the fictitious name.

26 Sec. 3. Section 490.630, subsection 1, Code 2005, is
27 amended to read as follows:

28 1. ~~Unless section 490.1704 is applicable to the~~
29 ~~corporation, the~~ The shareholders of a corporation do not have
30 a preemptive right to acquire the corporation's unissued
31 shares except to the extent the articles of incorporation so
32 provide.

33 Sec. 4. Section 490.704, subsection 1, Code 2005, is
34 amended to read as follows:

35 1. Unless otherwise provided in the articles of

1 incorporation, any action required or permitted by this
2 chapter to be taken at a shareholders' meeting may be taken
3 without a meeting or vote, and, except as provided in
4 subsection 5, without prior notice, if one or more written
5 consents describing the action taken are signed by the holders
6 of outstanding shares having not less than ~~ninety-percent-of~~
7 ~~the-votes-entitled-to-be-cast~~ the minimum number of votes that
8 would be necessary to authorize or take such action at a
9 meeting at which all shares entitled to vote on the action
10 were present and voted, and are delivered to the corporation
11 for inclusion in the minutes or filing with the corporate
12 records.

13 Sec. 5. Section 490.1422, subsection 1, paragraph c, Code
14 2005, is amended to read as follows:

15 c. State If the application is received more than five
16 years after the effective date of dissolution, state a
17 corporate name that satisfies the requirements of section
18 490.401.

19 Sec. 6. Section 490.1506, subsection 2, paragraph b, Code
20 2005, is amended to read as follows:

21 b. A corporate name reserved ~~or~~, registered under, or
22 protected as provided in section 490.402 or 490.403.

23 Sec. 7. Section 534.508, subsection 1, Code 2005, is
24 amended to read as follows:

25 1. IN GENERAL. Sections 490.601 through 490.604, 490.620
26 through 490.628, and 490.630~~7~~~~-and-490-1704~~ apply to stock
27 associations.

28 Sec. 8. Sections 490.1704 and 490.1705, Code 2005, are
29 repealed.

30 DIVISION II

31 LIMITED LIABILITY COMPANIES

32 Sec. 9. Section 490A.131, subsection 4, Code Supplement
33 2005, is amended to read as follows:

34 4. If a filed biennial report contains an address of a
35 designated registered office or the name or address of an a

1 registered agent for-service-of-process which differs from the
2 information shown in the records of the secretary of state
3 immediately before the filing, the differing information in
4 the biennial report is considered a statement of change under
5 section 490A.502.

6 Sec. 10. Section 490A.201, Code 2005, is amended to read
7 as follows:

8 490A.201 PURPOSES.

9 1. A limited liability company organized under this
10 chapter has the purpose of engaging in any lawful **business**
11 activity unless a more limited purpose is set forth in the
12 articles of organization.

13 2. A limited liability company engaging in ~~a-business~~ an
14 activity that is subject to regulation under another statute
15 of this state may organize under this chapter only if
16 permitted by, and subject to all limitations of, the other
17 statute.

18 Sec. 11. Section 490A.305, subsection 2, paragraph b, Code
19 2005, is amended to read as follows:

20 b. Separate and distinct records are maintained for the
21 that series and separate and distinct records account for the
22 assets associated with the that series are-held-and. The
23 assets associated with a series must be accounted for
24 separately from the other assets of the limited liability
25 company, ~~or-from-any-other-series-of-the-limited-liability~~
26 company including another series.

27 Sec. 12. Section 490A.305, subsection 13, Code 2005, is
28 amended to read as follows:

29 13. A foreign limited liability company that is
30 registering authorized to do business in this state under ~~this~~
31 chapter subchapter XIV which is governed by an operating
32 agreement that establishes or provides for the establishment
33 of designated series of members, managers, or membership
34 interests having separate rights, powers, or duties with
35 respect to specified property or obligations of the foreign

1 limited liability company, or profits and losses associated
2 with the specified property or obligations, shall indicate
3 that fact on the application for registration a certificate of
4 authority as a foreign limited liability company. In
5 addition, the foreign limited liability company shall state on
6 the application whether the debts, liabilities, and
7 obligations incurred, contracted for, or otherwise existing
8 with respect to a particular series, if any, are enforceable
9 against the assets of such series only, and not against the
10 assets of the foreign limited liability company generally.

11 Sec. 13. Section 490A.1401, Code 2005, is amended to read
12 as follows:

13 490A.1401 LAW GOVERNING.

14 The law of the state or other jurisdiction under which a
15 foreign limited liability company is formed governs its
16 formation and internal affairs and the liability of its
17 members and managers. A foreign limited liability company
18 shall not be denied registration a certificate of authority by
19 reason of any difference between those laws and the laws of
20 this state. A foreign limited liability company holding a
21 valid registration certificate of authority in this state
22 shall have no greater rights and privileges than a domestic
23 limited liability company. The registration certificate of
24 authority shall not be deemed to authorize the foreign limited
25 liability company to exercise any of its powers or purposes
26 that a domestic limited liability company is forbidden by law
27 to exercise in this state.

28 Sec. 14. Section 490A.1404, unnumbered paragraph 1, Code
29 2005, is amended to read as follows:

30 A certificate of registration authority shall not be issued
31 to a foreign limited liability company unless the name of the
32 limited liability company satisfies the requirements of
33 section 490A.401. To obtain or maintain a certificate of
34 registration authority, the company shall comply with the
35 following:

1 Sec. 15. Section 490A.1405, Code 2005, is amended to read
2 as follows:

3 490A.1405 CHANGE AND AMENDMENT.

4 If any statement in the application for registration a
5 certificate of authority of a foreign limited liability
6 company was false when made or any arrangements or other facts
7 described have changed, making the application inaccurate in
8 any respect, the foreign limited liability company shall
9 promptly deliver to the secretary of state for filing articles
10 of correction correcting such statement as required by section
11 490A.123.

12 Sec. 16. Section 490A.1406, subsection 1, paragraph b,
13 Code 2005, is amended to read as follows:

14 b. That the foreign limited liability company is not
15 transacting business in this state and that it surrenders its
16 registration certificate of authority to transact business in
17 this state.

18 Sec. 17. Section 490A.1406, subsection 2, Code 2005, is
19 amended to read as follows:

20 2. The certificate of registration authority shall be
21 canceled upon the filing of the certificate of cancellation by
22 the secretary of state.

23 Sec. 18. Section 490A.1410, subsection 2, unnumbered
24 paragraph 1, Code 2005, is amended to read as follows:

25 A certificate of registration authority of a foreign
26 limited liability company shall not be revoked by the
27 secretary of state, unless both of the following apply:

28 DIVISION III

29 NONPROFIT CORPORATIONS

30 Sec. 19. Section 504.403, subsection 1, paragraph b, Code
31 Supplement 2005, is amended by striking the paragraph and
32 inserting in lieu thereof the following:

33 b. A name reserved, registered, or protected as follows:

34 (1) For a limited liability partnership, section 486A.1001
35 or 486A.1002.

1 (2) For a limited partnership, section 488.108, 488.109,
2 or 488.810.

3 (3) For a business corporation, section 490.401, 490.402,
4 490.403, or 490.1422.

5 (4) For a limited liability company, section 490A.401 or
6 490A.402.

7 (5) For a nonprofit corporation, this section or section
8 501.401, 501.402, or 504.1423.

9 Sec. 20. Section 504.702, subsection 1, paragraph b, Code
10 2005, is amended to read as follows:

11 b. Except as provided in the articles or bylaws of a
12 ~~religious~~ corporation, if the holders of at least five percent
13 of the voting power of any corporation sign, date, and deliver
14 to any corporate officer one or more written demands for the
15 meeting describing the purpose for which it is to be held.

16 Unless otherwise provided in the articles of incorporation, a
17 written demand for a special meeting may be revoked by a
18 writing to that effect received by the corporation prior to
19 the receipt by the corporation of demands sufficient in number
20 to require the holding of a special meeting.

21 Sec. 21. Section 504.808, subsection 10, unnumbered
22 paragraph 1, Code 2005, is amended to read as follows:

23 The articles or bylaws of a ~~religious~~ corporation may do
24 both of the following:

25 Sec. 22. Section 504.901, Code Supplement 2005, is amended
26 to read as follows:

27 504.901 PERSONAL LIABILITY.

28 1. Except as otherwise provided in this chapter, a
29 director, officer, employee, or member of a corporation is not
30 liable for the corporation's debts or obligations and a
31 director, officer, member, or other volunteer is not
32 personally liable in that capacity to any person for any
33 action taken or failure to take any action in the discharge of
34 the person's duties except liability for any of the following:

35 1. a. The amount of any financial benefit to which the

1 person is not entitled.

2 2- b. An intentional infliction of harm on the
3 corporation or the members.

4 3- c. A violation of section 504.835.

5 4- d. An intentional violation of criminal law.

6 2. A provision set forth in the articles of incorporation
7 eliminating or limiting the liability of a director to the
8 corporation or its members for money damages for any action
9 taken, or any failure to take any action, pursuant to section
10 504.202, subsection 2, paragraph "d", shall not affect the
11 applicability of this section.

12 Sec. 23. Section 504.1001, Code 2005, is amended to read
13 as follows:

14 504.1001 AUTHORITY TO AMEND.

15 A corporation may amend its articles of incorporation at
16 any time to add or change a provision that is required or
17 permitted in the articles as of the effective date of the
18 amendment or to delete a provision that is not required to be
19 contained in the articles of incorporation. ~~Whether-a~~
20 ~~provision-is-required-or-permitted-in-the-articles-is~~
21 ~~determined-as-of-the-effective-date-of-the-amendment.~~

22 Sec. 24. Section 504.1002, subsection 1, Code 2005, is
23 amended to read as follows:

24 1. Unless the articles of incorporation provide otherwise,
25 a corporation's board of directors may adopt ~~one-or-more~~
26 amendments to the corporation's articles of incorporation
27 without member approval ~~to-do~~ for any of the following
28 purposes:

29 a. ~~Extend~~ To extend the duration of the corporation if it
30 was incorporated at a time when limited duration was required
31 by law.

32 b. ~~Delete~~ To delete the names and addresses of the initial
33 directors.

34 c. ~~Delete~~ To delete the name and address of the initial
35 registered agent or registered office, if a statement of

1 change is on file with the secretary of state.

2 d. ~~Change~~ To change the corporate name by substituting the
3 word "corporation", "incorporated", "company", "limited", or
4 the abbreviation "corp.", "inc.", "co.", or "ltd.", for a
5 similar word or abbreviation in the name, or by adding,
6 deleting, or changing a geographical attribution to the name.

7 e. ~~Make~~ To make any other change expressly permitted by
8 this subchapter to be made by director action.

9 Sec. 25. Section 504.1005, unnumbered paragraph 1, Code
10 2005, is amended to read as follows:

11 A After an amendment to the articles of incorporation has
12 been adopted and approved in the manner required by this
13 chapter and by the articles of incorporation or bylaws, the
14 corporation amending its articles shall deliver to the
15 secretary of state, for filing, articles of amendment setting
16 forth:

17 Sec. 26. Section 504.1005, subsections 4 and 5, Code 2005,
18 are amended to read as follows:

19 4. If approval by members was not required, ~~a-statement-to~~
20 ~~that-effect-and~~ a statement that the amendment was duly
21 approved by ~~a-sufficient-vote-of~~ the incorporators or by the
22 board of directors ~~or-incorporators,~~ as the case may be, and
23 that member approval was not required.

24 5. If approval by members was required, ~~both-of-the~~
25 ~~following:~~

26 ~~a.--The-designation,~~ number-of-memberships-outstanding,
27 ~~number-of-votes-entitled-to-be-cast-by-each-class-entitled-to~~
28 ~~vote-separately-on-the-amendment,~~ and-number-of-votes-of-each
29 ~~class-indisputably-voting-on-the-amendment.~~

30 ~~b.--Either-the-total-number-of-votes-cast-for-and-against~~
31 ~~the-amendment-by-each-class-entitled-to-vote-separately-on-the~~
32 ~~amendment-or-the-total-number-of-undisputed-votes-cast-for-the~~
33 amendment-by-each-class and a statement that the number-of
34 votes-cast-for-the amendment by-each-class was sufficient-for
35 approval-by-that-class duly approved by the members in the

1 manner required by this chapter, the articles of
2 incorporation, and bylaws.

3 Sec. 27. Section 504.1006, Code 2005, is amended to read
4 as follows:

5 504.1006 RESTATED ARTICLES OF INCORPORATION.

6 1. A corporation's board of directors may restate the
7 corporation's articles of incorporation at any time with or
8 without approval by members or any other person, to
9 consolidate all amendments into a single document.

10 2. ~~The restatement may~~ If the restated articles include
11 one or more new amendments to the articles,--if the
12 restatement includes an amendment requiring that require
13 approval by the members or any other person, it the amendments
14 must be adopted as provided in section 504.1003.

15 ~~3.--If the restatement includes an amendment requiring~~
16 ~~approval by members, the board must submit the restatement to~~
17 ~~the members for their approval.~~

18 ~~4.--If the board seeks to have the restatement approved by~~
19 ~~the members at a membership meeting, the corporation shall~~
20 ~~notify each of its members of the proposed membership meeting~~
21 ~~in writing in accordance with section 504.705.--The notice~~
22 ~~must also state that the purpose, or one of the purposes, of~~
23 ~~the meeting is to consider the proposed restatement and must~~
24 ~~contain or be accompanied by a copy or summary of the~~
25 ~~restatement that identifies any amendments or other changes~~
26 ~~the restatement would make in the articles.~~

27 ~~5.--If the board seeks to have the restatement approved by~~
28 ~~the members by written ballot or written consent, the material~~
29 ~~soliciting the approval shall contain or be accompanied by a~~
30 ~~copy or summary of the restatement that identifies any~~
31 ~~amendments or other changes the restatement would make in the~~
32 ~~articles.~~

33 ~~6.--A restatement requiring approval by the members must be~~
34 ~~approved by the same vote as an amendment to articles under~~
35 ~~section 504.1003.~~

1 7- 3. If the restatement includes an amendment requiring
2 approval pursuant to section 504.1031, the board must submit
3 the restatement for such approval.

4 8- 4. A corporation ~~restating~~ that restates its articles
5 of incorporation shall deliver to the secretary of state for
6 filing articles of restatement setting forth the name of the
7 corporation and the text of the restated articles of
8 incorporation together with a certificate ~~setting-forth-all-of~~
9 ~~the-following:~~

10 a-~~Whether-the-restatement-contains-an-amendment-to-the~~
11 ~~articles-requiring-approval-by-the-members-or-any-other-person~~
12 ~~other-than-the-board-of-directors-and,-if-it-does-not,-that~~
13 ~~the-board-of-directors-adopted-the-restatement.~~

14 b-~~If-the-restatement-contains-an-amendment-to-the~~
15 ~~articles-requiring-approval-by-the-members,-the-information~~
16 ~~required-by-section-504.1005.~~

17 c-~~If-the-restatement-contains-an-amendment-to-the~~
18 ~~articles-requiring-approval-by-a-person-whose-approval-is~~
19 ~~required-pursuant-to-section-504.1031,-a-statement-that-such~~
20 ~~approval-was-obtained~~ stating that the restated articles
21 consolidate all amendments into a single document. If a new
22 amendment is included in the restated articles, the
23 corporation shall include the statement required in section
24 504.1005.

25 9- 5. Duly adopted restated articles of incorporation
26 supersede the original articles of incorporation and all
27 amendments to the original articles of incorporation.

28 10- 6. The secretary of state may certify restated
29 articles of incorporation as the articles of incorporation
30 currently in effect without including the certificate
31 information required by subsection 8 4.

32 Sec. 28. Section 504.1007, subsection 1, Code 2005, is
33 amended to read as follows:

34 1. A corporation's articles may be amended without board
35 approval or approval by the members or approval required

1 pursuant to section 504.1031 to carry out a plan of
2 reorganization ordered or decreed by a court of competent
3 jurisdiction under ~~federal statute if the articles after~~
4 ~~amendment contain only provisions required or permitted by~~
5 section 504.202 the authority of law of the United States.

6 Sec. 29. Section 504.1008, Code Supplement 2005, is
7 amended to read as follows:

8 504.1008 EFFECT OF AMENDMENT AND RESTATEMENT.

9 An amendment to the articles of incorporation does not
10 affect a cause of action existing against or in favor of the
11 corporation, a proceeding to which the corporation is a party,
12 any requirement or limitation imposed upon the corporation, or
13 any property held by it by virtue of any trust upon which such
14 property is held by the corporation, or the existing rights of
15 persons other than members of the corporation. An amendment
16 changing a corporation's name does not abate a proceeding
17 brought by or against the corporation in its former name.

18 Sec. 30. Section 504.1506, subsection 2, paragraph b, Code
19 Supplement 2005, is amended to read as follows:

20 b. A corporate name reserved, ~~or~~ registered under, or
21 protected as provided in section 490.402 or 490.403 or section
22 504.402 or 504.403.

23 Sec. 31. NEW SECTION. 504.1607 EXCEPTION TO NOTICE
24 REQUIREMENT.

25 1. Whenever notice is required to be given under any
26 provision of this chapter to any member, such notice shall not
27 be required to be given if notice of two consecutive annual
28 meetings, and all notices of meetings during the period
29 between such two consecutive annual meetings, have been sent
30 to the member at the member's address as shown on the records
31 of the corporation and have been returned as undeliverable.

32 2. If the member delivers to the corporation a written
33 notice setting forth the member's then-current address, the
34 requirement that notice be given to the member shall be
35 reinstated.

EXPLANATION

1
2 This bill is divided into a number of divisions
3 corresponding to Code chapters governing different forms of
4 business entities, including division I which amends
5 provisions in Code chapter 490 governing business
6 corporations, division II which amends provisions in Code
7 chapter 490A governing limited liability companies, and
8 division III amending provisions in Code chapter 504 governing
9 nonprofit corporations.

10 DIVISION I -- BUSINESS CORPORATIONS. Code section 490.401
11 restricts how a business corporation may name itself. The
12 division provides that the name must be distinguished from
13 names of other business entities in existence or which may be
14 reinstated following administrative dissolution, including a
15 limited liability partnership (Code chapter 486A), a limited
16 partnership (Code chapter 488), another business corporation,
17 a limited liability company (Code chapter 490A), or a
18 nonprofit corporation (Code chapter 504).

19 Code section 490.401 is amended to allow a business
20 corporation to file a certified copy of a resolution with the
21 secretary of state to use a fictitious name.

22 Code section 490.704 is amended to allow a business
23 corporation to take action without a meeting with the consent
24 of shareholders having the minimum number of votes required to
25 authorize the action at a meeting.

26 Code section 490.1422 provides procedures for reinstatement
27 by the secretary of state. The division provides that a
28 corporation does not relinquish the right to retain its
29 corporate name if the reinstatement is effective within five
30 years of the effective date of the corporation's dissolution.

31 DIVISION II -- LIMITED LIABILITY COMPANIES. Code section
32 490A.131 requires a limited liability company to deliver a
33 biennial report to the secretary of state. The division
34 provides that the report must include the name and address of
35 the limited liability company's registered office and agent.

1 Code section 490A.201 is amended to provide that a limited
2 liability company may have as its purpose any lawful activity,
3 not just a lawful business activity.

4 Code section 490A.305 is amended to further describe the
5 requirements for maintenance of separate and distinct records
6 associated with a series of members, managers, or membership
7 interests of a limited liability company.

8 In addition, the division amends Code sections 490A.305,
9 490A.1401, 409A.1405, 490A.1406, and 490A.1410 by making
10 terminology changes in Code chapter 490A relating to the
11 issuance of certificates of authority to foreign limited
12 liability companies.

13 DIVISION III -- NONPROFIT CORPORATIONS. Code section
14 504.401 restricts how a nonprofit corporation may name itself.
15 The division amends Code section 504.403 to provide that the
16 registered name must be distinguished from names of other
17 business entities in existence or which may be reinstated
18 following dissolution, in the same manner as the business
19 entities described in division I.

20 Code section 504.702 is amended to provide that any
21 nonprofit corporation, not just a religious corporation, can
22 alter the statutory demand requirements for holding a special
23 meeting of the corporation in its corporate articles or
24 bylaws.

25 Code section 504.808 is amended to provide that any
26 nonprofit corporation, not just a religious corporation, can
27 alter the statutory requirements for removal of elected
28 corporate directors in its corporate articles or bylaws.

29 Code section 504.901 provides personal liability for
30 directors. The division amends the section by providing that
31 a provision in a nonprofit corporation's articles of
32 incorporation limiting personal liability of a director does
33 not affect provisions in the Code section which shield a
34 director or member from assuming debts of the nonprofit
35 corporation.

1 Code section 504.1001 is amended to make the language
2 consistent with Code section 490.1001, relating to business
3 corporations, by providing that a nonprofit corporation has
4 the authority to amend its articles of incorporation by adding
5 or changing a provision that is required or permitted in the
6 articles of incorporation as of the effective date of the
7 amendment, or to delete a provision not required in the
8 articles of incorporation.

9 Code section 504.1002 is amended to make the language
10 consistent with Code section 490.1005 relating to business
11 corporations, providing for amendments of articles of
12 incorporation by corporate directors.

13 Code section 504.1005 is amended to make the language
14 consistent with Code section 490.1006 relating to business
15 corporations, and provides that articles of amendment of a
16 nonprofit corporation be adopted and approved as required by
17 law and by the corporate articles or bylaws before being
18 delivered to the secretary of state for filing.

19 Code section 504.1005 is amended to make the language
20 consistent with Code section 490.1006 relating to business
21 corporations, and provides that the articles of amendment of a
22 nonprofit corporation must include a statement that member
23 approval was not required and the amendment was approved by
24 the incorporators or directors, or a statement that member
25 approval was required and was approved as required by law and
26 by the corporate articles or bylaws.

27 Code section 504.1006 is also amended to make the language
28 consistent with Code section 490.1007 relating to business
29 corporations, and provides that a nonprofit corporation's
30 board of directors may consolidate all amendments into a
31 single restated article of incorporation, any new amendments
32 included in the restated articles that require approval must
33 meet the requirements for amendments contained in Code section
34 504.1003, and restated articles of incorporation must be
35 delivered to the secretary of state for filing accompanied by

1 a certificate stating that the restated articles consolidate
2 all amendments into one document and, if new amendments are
3 included, the statement required under Code section 504.1005.

4 Code section 504.1007 is amended to make the language
5 consistent with Code section 490.1008 relating to business
6 corporations, and provides that a nonprofit corporation's
7 articles may be amended without board or member approval or
8 approval by a third person under Code section 504.1031 to
9 carry out a plan of reorganization ordered by a court of
10 competent jurisdiction under the authority of United States
11 law.

12 Code section 504.1008 is amended to make the language
13 consistent with Code section 490.1009, relating to business
14 corporations, and is a technical correction.

15 New Code section 504.1607 provides that notice to a member
16 of a nonprofit corporation is no longer required if notice of
17 two consecutive annual meetings and all notices of meetings
18 between the two consecutive annual meetings have been sent to
19 the member at the address of record and returned as
20 undeliverable. The notice requirement can be reinstated if
21 the member delivers written notice of the member's current
22 address to the corporation.

23

24

HOUSE FILE 2725

H-8306

1 Amend House File 2725 as follows:

2 1. Page 2, by striking lines 6 through 8 and
3 inserting the following: "of outstanding shares
4 having not less than ~~ninety~~ fifty percent of the votes
5 entitled to be cast at a".

6 2. Title page, by striking lines 2 and 3 and
7 inserting the following: "entities, including
8 corporations, limited liability companies, and
9 nonprofit".

By PAULSEN of Linn

H-8306 FILED MARCH 16, 2006

Kaufmann, ch
Paulsen
Swain

HSB 752

JUDICIARY
JED L

HOUSE FILE _____ 02725
BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY
CHAIRPERSON PAULSEN)

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

A BILL FOR

1 An Act containing various provisions relating to business
2 entities, including limited partnerships, corporations,
3 limited liability companies, cooperatives, and nonprofit
4 corporations.

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

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DIVISION I

LIMITED PARTNERSHIPS

Section 1. Section 488.108, subsection 4, paragraph b, Code Supplement 2005, is amended by striking the paragraph and inserting in lieu thereof the following:

b. A name reserved, registered, or protected as follows:

(1) For a limited liability partnership, section 486A.1001 or 486A.1002.

(2) For a limited partnership, this section, section 488.109, or section 488.810.

(3) For a business corporation, section 490.401, 490.402, 490.403, or 490.1422.

(4) For a limited liability company, section 490A.401, 490A.402, or 490A.1314.

(5) For a nonprofit corporation, section 504.401, 504.402, 504.403, or 504.1423.

Sec. 2. Section 488.810, subsection 1, unnumbered paragraph 1, Code 2005, is amended to read as follows:

A limited partnership that has been administratively dissolved may apply to the secretary of state for reinstatement within two years at any time after the effective date of dissolution. The application must be delivered to the secretary of state for filing and state all of the following:

Sec. 3. Section 488.810, subsection 1, paragraph c, Code 2005, is amended to read as follows:

c. That if the application is received more than five years after the effective date of the dissolution, that the limited partnership's name satisfies the requirements of section 488.108.

Sec. 4. Section 488.810, subsection 2, Code 2005, is amended to read as follows:

2. If the secretary of state determines that an application contains the information required by subsection 2 and that the information is correct, the secretary of state shall prepare a declaration of reinstatement that states this

1 determination, sign, and file the original of the declaration
2 of reinstatement, and ~~serve~~ deliver a copy to the limited
3 partnership ~~with-a-copy~~.

4 Sec. 5. Section 488.810, Code 2005, is amended by adding
5 the following new subsection:

6 NEW SUBSECTION. 4. A limited partnership shall not
7 relinquish the right to retain its name if the reinstatement
8 is effective within five years of the effective date of the
9 limited partnership's dissolution.

10 DIVISION II

11 BUSINESS CORPORATIONS

12 Sec. 6. Section 490.401, subsection 2, paragraph b, Code
13 Supplement 2005, is amended by striking the paragraph and
14 inserting in lieu thereof the following:

15 b. A name reserved, registered, or protected as follows:

16 (1) For a limited liability partnership, section 486A.1001
17 or 486A.1002.

18 (2) For a limited partnership, section 488.108, 488.109,
19 or 488.810.

20 (3) For a business corporation, this section, or section
21 490.402, 490.403, or 490.1422.

22 (4) For a limited liability company, section 490A.401,
23 490A.402, or 490A.1314.

24 (5) For a nonprofit corporation, section 504.401, 504.402,
25 504.403, or 504.1423.

26 Sec. 7. Section 490.401, subsection 5, Code Supplement
27 2005, is amended to read as follows:

28 5. This chapter does not control the use of fictitious
29 names; however, if a corporation or a foreign corporation uses
30 a fictitious name in this state it shall deliver to the
31 secretary of state for filing a certified copy of the
32 ~~resolution of-its-board-of-directors, certified-by-its~~
33 secretary filed and executed according to section 490.120,
34 adopting the fictitious name.

35 Sec. 8. Section 490.630, subsection 1, Code 2005, is

1 amended to read as follows:

2 1. ~~Unless section 490.1704 is applicable to the~~
3 ~~corporation,~~ The shareholders of a corporation do not have
4 a preemptive right to acquire the corporation's unissued
5 shares except to the extent the articles of incorporation so
6 provide.

7 Sec. 9. Section 490.704, subsection 1, Code 2005, is
8 amended to read as follows:

9 1. Unless otherwise provided in the articles of
10 incorporation, any action required or permitted by this
11 chapter to be taken at a shareholders' meeting may be taken
12 without a meeting or vote, and, except as provided in
13 subsection 5, without prior notice, if one or more written
14 consents describing the action taken are signed by the holders
15 of outstanding shares having not less than ~~ninety-percent-of~~
16 ~~the votes entitled to be cast~~ the minimum number of votes that
17 would be necessary to authorize or take such action at a
18 meeting at which all shares entitled to vote on the action
19 were present and voted, and are delivered to the corporation
20 for inclusion in the minutes or filing with the corporate
21 records.

22 Sec. 10. Section 490.1422, subsection 1, unnumbered
23 paragraph 1, Code 2005, is amended to read as follows:

24 A corporation administratively dissolved under section
25 490.1421 may apply to the secretary of state for reinstatement
26 within two years at any time after the effective date of
27 dissolution. The application must meet all of the following
28 requirements:

29 Sec. 11. Section 490.1422, subsection 1, paragraph c, Code
30 2005, is amended to read as follows:

31 c. State If the application is received more than five
32 years after the effective date of dissolution, state a
33 corporate name that satisfies the requirements of section
34 490.401.

35 Sec. 12. Section 490.1422, subsection 2, paragraph b, Code

1 2005, is amended to read as follows:

2 b. (1) If the secretary of state determines that the
3 application contains the information required by subsection 1,
4 and that a delinquency or liability reported pursuant to
5 paragraph "a" ~~of this subsection~~ has been satisfied, and that
6 the information is correct, the secretary of state shall
7 cancel the certificate of dissolution and prepare a
8 certificate of reinstatement that recites the secretary of
9 state's determination and the effective date of reinstatement,
10 file the ~~original of the~~ certificate of reinstatement, and
11 ~~serve~~ deliver a copy ~~on~~ to the corporation under section
12 490.504.

13 (2) If the corporate name in subsection 1, paragraph "c",
14 is different than the corporate name in subsection 1,
15 paragraph "a", the certificate of reinstatement shall
16 constitute an amendment to the articles of incorporation
17 insofar as it pertains to the corporate name. A corporation
18 shall not relinquish the right to retain its corporate name if
19 the reinstatement is effective within five years of the
20 effective date of the corporation's dissolution.

21 Sec. 13. Section 490.1422, subsection 4, Code 2005, is
22 amended by striking the subsection.

23 Sec. 14. Section 490.1506, subsection 2, paragraph b, Code
24 2005, is amended to read as follows:

25 b. A corporate name reserved ~~or~~, registered under, or
26 protected as provided in section 490.402 or 490.403.

27 Sec. 15. Section 490.1701, subsection 3, paragraph a, Code
28 Supplement 2005, is amended to read as follows:

29 a. The corporation shall amend or restate its articles of
30 incorporation to indicate that the corporation adopts this
31 chapter and to designate the address of its initial registered
32 office and the name of its registered agent ~~or agents~~ at that
33 office and, if the name of the corporation is not in
34 compliance with the requirements of this chapter, to change
35 the name of the corporation to one complying with the

1 requirements of this chapter.

2 Sec. 16. Section 534.508, subsection 1, Code 2005, is
3 amended to read as follows:

4 1. IN GENERAL. Sections 490.601 through 490.604, 490.620
5 through 490.628, and 490.630~~7-and-490-1704~~ apply to stock
6 associations.

7 Sec. 17. Sections 490.1704 and 490.1705, Code 2005, are
8 repealed.

9 DIVISION III

10 LIMITED LIABILITY COMPANIES

11 Sec. 18. Section 490A.121, subsections 2 and 3, Code 2005,
12 are amended to read as follows:

13 2. The secretary of state files a document by ~~stamping or~~
14 ~~otherwise endorsing~~ recording it as "filed"~~7-together-with-the~~
15 ~~secretary-of-state's-name-and-official-title~~ and acknowledging
16 the date and time of its receipt~~7-on-both-the-document-and-the~~
17 ~~receipt-for-the-filing-fee7-and-recording-the-document-in-the~~
18 ~~records-of-the-secretary-of-state~~. After filing a document,
19 and except as provided in section 490A.503, the secretary of
20 state shall deliver a copy of the filed document, with the
21 ~~filing-fee-receipt7-or~~ an acknowledgment of receipt-if-no-fee
22 ~~is-required7-attached7~~ the date and time of filing to the
23 domestic or foreign limited liability company or its
24 representative.

25 3. If the secretary of state refuses to file a document,
26 the secretary of state shall return it to the domestic or
27 foreign limited liability company or its representative within
28 ~~ten-days-after-the-document-was-received-by-the-secretary-of~~
29 ~~state~~, together with a brief, written explanation of the
30 reason for the refusal.

31 Sec. 19. Section 490A.124, subsection 1, paragraphs e and
32 f, Code 2005, are amended to read as follows:

33 e. Application for registered name per month or part
34 thereof \$ 2 No fee

35 f. Application for renewal of registered name

1 \$ 20 No fee

2 Sec. 20. Section 490A.131, subsection 1, paragraph b, Code
3 Supplement 2005, is amended to read as follows:

4 b. The street ~~and-mailing~~ address of its ~~designated~~
5 registered office and the name and ~~street-and~~ mailing address
6 of its registered agent ~~for-service-of-process-in-this-state~~.

7 Sec. 21. Section 490A.131, subsection 4, Code Supplement
8 2005, is amended to read as follows:

9 4. If a filed biennial report contains an address of a
10 ~~designated~~ registered office or the name or address of an a
11 registered agent ~~for-service-of-process~~ which differs from the
12 information shown in the records of the secretary of state
13 immediately before the filing, the differing information in
14 the biennial report is considered a statement of change under
15 section 490A.502.

16 Sec. 22. Section 490A.201, Code 2005, is amended to read
17 as follows:

18 490A.201 PURPOSES.

19 1. A limited liability company organized under this
20 chapter has the purpose of engaging in any lawful ~~business~~
21 activity unless a more limited purpose is set forth in the
22 articles of organization.

23 2. A limited liability company engaging in ~~a-business~~ an
24 activity that is subject to regulation under another statute
25 of this state may organize under this chapter only if
26 permitted by, and subject to all limitations of, the other
27 statute.

28 Sec. 23. Section 490A.305, subsection 2, paragraph b, Code
29 2005, is amended to read as follows:

30 b. Separate and distinct records are maintained for the
31 that series and separate and distinct records account for the
32 assets associated with ~~the that series are-held-and~~. The
33 assets associated with a series must be accounted for
34 separately from the other assets of the limited liability
35 company, ~~or-from-any-other-series-of-the-limited-liability~~

1 company including another series.

2 Sec. 24. Section 490A.305, subsection 13, Code 2005, is
3 amended to read as follows:

4 13. A foreign limited liability company that is
5 registering authorized to do business in this state under this
6 chapter subchapter XIV which is governed by an operating
7 agreement that establishes or provides for the establishment
8 of designated series of members, managers, or membership
9 interests having separate rights, powers, or duties with
10 respect to specified property or obligations of the foreign
11 limited liability company, or profits and losses associated
12 with the specified property or obligations, shall indicate
13 that fact on the application for registration a certificate of
14 authority as a foreign limited liability company as provided
15 in section 490A.1402. In addition, the foreign limited
16 liability company shall state on the application whether the
17 debts, liabilities, and obligations incurred, contracted for,
18 or otherwise existing with respect to a particular series, if
19 any, are enforceable against the assets of such series only,
20 and not against the assets of the foreign limited liability
21 company generally.

22 Sec. 25. Section 490A.401, subsection 3, paragraph a, Code
23 2005, is amended by striking the paragraph and inserting in
24 lieu thereof the following:

25 a. A name reserved, registered, or protected as follows:

26 (1) For a limited liability partnership, section 486A.1001
27 or 486A.1002.

28 (2) For a limited partnership, section 488.108, 488.109,
29 or 488.810.

30 (3) For a business corporation, section 490.401, 490.402,
31 490.403, or 490.1422.

32 (4) For a limited liability company, this section or
33 section 490A.402 or 490A.1314.

34 (5) For a nonprofit corporation, section 504.401, 504.402,
35 504.403, or 504.1423.

1 Sec. 26. Section 490A.401, subsection 3, paragraph d, Code
2 2005, is amended by striking the paragraph.

3 Sec. 27. NEW SECTION. 490A.1308 REVOCATION OF
4 DISSOLUTION.

5 1. A limited liability company may revoke its dissolution
6 within one hundred twenty days of the effective date of its
7 articles of dissolution.

8 2. Revocation of dissolution must be authorized in the
9 same manner as the dissolution was authorized unless that
10 authorization permitted revocation by action of the managers
11 of the limited liability company alone, in which event the
12 managers may revoke the dissolution without member action.

13 3. After the revocation of dissolution is authorized, the
14 limited liability company may revoke the dissolution by
15 delivering to the secretary of state for filing articles of
16 revocation of dissolution, together with a copy of its
17 articles of dissolution, that set forth all of the following:

18 a. The name of the limited liability company.
19 b. The effective date of the dissolution that was revoked.
20 c. The date that the revocation of dissolution was
21 authorized.

22 d. If members of the limited liability company unanimously
23 revoked the dissolution, a statement to that effect.

24 e. If the managers of the limited liability company
25 revoked a dissolution authorized by its members, a statement
26 that revocation was permitted by action by the managers alone
27 pursuant to that authorization.

28 4. Revocation of dissolution is effective upon the
29 effective date of the articles of revocation of dissolution.

30 5. When the revocation of dissolution is effective, it
31 relates back to and takes effect as of the effective date of
32 the dissolution as if the dissolution had never occurred.

33

PART B

34

ADMINISTRATIVE DISSOLUTION

35

Sec. 28. NEW SECTION. 490A.1311 GROUNDS FOR

1 ADMINISTRATIVE DISSOLUTION.

2 The secretary of state may commence a proceeding under
3 section 490A.1312 to administratively dissolve a limited
4 liability company if any of the following apply:

5 1. The limited liability company has not delivered a
6 biennial report to the secretary of state in a form that meets
7 the requirements of section 490A.131, within sixty days after
8 it is due, or has not paid the filing fee as determined by the
9 secretary of state, within sixty days after it is due.

10 2. The limited liability company is without a registered
11 office or registered agent in this state as required in
12 subchapter V for sixty days or more.

13 3. The limited liability company does not notify the
14 secretary of state within sixty days that its registered
15 office or registered agent as required in subchapter V has
16 been changed, its registered office has been discontinued, or
17 that its registered agent has resigned.

18 4. The limited liability company's period of duration
19 stated in its articles of organization expires.

20 Sec. 29. NEW SECTION. 490A.1312 PROCEDURE FOR AND EFFECT
21 OF ADMINISTRATIVE DISSOLUTION.

22 1. If the secretary of state determines that one or more
23 grounds exist under section 490A.1311 for dissolving a limited
24 liability company, the secretary of state shall serve the
25 limited liability company with written notice of the secretary
26 of state's determination under section 490A.504.

27 2. If the limited liability company does not correct each
28 ground for dissolution or demonstrate to the reasonable
29 satisfaction of the secretary of state that each ground
30 determined by the secretary of state does not exist within
31 sixty days after service of the notice is perfected under
32 section 490A.504, the secretary of state shall
33 administratively dissolve the limited liability company by
34 signing a certificate of dissolution that recites the ground
35 or grounds for dissolution and its effective date. The

1 secretary of state shall file the original of the certificate
2 and serve a copy on the limited liability company under
3 section 490A.504.

4 3. A limited liability company administratively dissolved
5 continues its existence but shall not carry on any business
6 except that necessary to wind up and liquidate its business
7 and affairs under part A of this subchapter and notify
8 claimants under sections 490A.1306 and 490A.1307.

9 4. The administrative dissolution of a limited liability
10 company does not terminate the authority of its registered
11 agent as provided in subchapter V.

12 5. The secretary of state's administrative dissolution of
13 a limited liability company pursuant to this section appoints
14 the secretary of state the limited liability company's agent
15 for service of process in any proceeding based on a cause of
16 action which arose during the time the limited liability
17 company was authorized to transact business in this state.
18 Service of process on the secretary of state under this
19 subsection is service on the limited liability company. Upon
20 receipt of process, the secretary of state shall serve a copy
21 of the process on the limited liability company as provided in
22 section 490A.504. This subsection does not preclude service
23 on the limited liability company's registered agent, if any.

24 Sec. 30. NEW SECTION. 490A.1313 REINSTATEMENT FOLLOWING
25 ADMINISTRATIVE DISSOLUTION.

26 1. A limited liability company administratively dissolved
27 under section 490A.1312 may apply to the secretary of state
28 for reinstatement at any time after the effective date of
29 dissolution. The application must meet all of the following
30 requirements:

31 a. Recite the name of the limited liability company at its
32 date of dissolution and the effective date of its
33 administrative dissolution.

34 b. State that the ground or grounds for dissolution as
35 provided in section 490A.1311 have been eliminated.

1 c. If the application is received more than five years
2 after the effective date of the administrative dissolution,
3 state a name that satisfies the requirements of section
4 490A.401.

5 d. State the federal tax identification number of the
6 limited liability company.

7 2. a. The secretary of state shall refer the federal tax
8 identification number contained in the application for
9 reinstatement to the department of revenue. The department of
10 revenue shall report to the secretary of state the tax status
11 of the limited liability company. If the department reports
12 to the secretary of state that a filing delinquency or
13 liability exists against the limited liability company, the
14 secretary of state shall not cancel the certificate of
15 dissolution until the filing delinquency or liability is
16 satisfied.

17 b. If the secretary of state determines that the
18 application contains the information required by subsection 1,
19 and that a delinquency or liability reported pursuant to
20 paragraph "a" of this subsection has been satisfied, and that
21 the information is correct, the secretary of state shall
22 cancel the certificate of dissolution and prepare a
23 certificate of reinstatement that recites the secretary of
24 state's determination and the effective date of reinstatement,
25 file the original of the certificate, and serve a copy on the
26 limited liability company under section 490A.504. If the
27 limited liability company's name in subsection 1, paragraph
28 "c", is different than the name in subsection 1, paragraph
29 "a", the certificate of reinstatement shall constitute an
30 amendment to the limited liability company's articles of
31 organization insofar as it pertains to its name. A limited
32 liability company shall not relinquish the right to retain its
33 name as provided in section 490A.401, if the reinstatement is
34 effective within five years of the effective date of the
35 limited liability company's dissolution.

1 3. When the reinstatement is effective, it relates back to
2 and takes effect as of the effective date of the
3 administrative dissolution as if the administrative
4 dissolution had never occurred.

5 Sec. 31. NEW SECTION. 490A.1314 APPEAL FROM DENIAL OF
6 REINSTATEMENT.

7 1. If the secretary of state denies a limited liability
8 company's application for reinstatement following
9 administrative dissolution pursuant to section 490A.1312, the
10 secretary of state shall serve the limited liability company
11 under section 490A.504 with a written notice that explains the
12 reason or reasons for denial.

13 2. The limited liability company may appeal the denial of
14 reinstatement to the district court within thirty days after
15 service of the notice of denial is perfected. The limited
16 liability company appeals by petitioning the court to set
17 aside the dissolution and attaching to the petition copies of
18 the secretary of state's certificate of dissolution, the
19 limited liability company's application for reinstatement, and
20 the secretary of state's notice of denial.

21 3. The court may summarily order the secretary of state to
22 reinstate the dissolved limited liability company or may take
23 other action the court considers appropriate.

24 4. The court's final decision may be appealed as in other
25 civil proceedings.

26 Sec. 32. Section 490A.1401, Code 2005, is amended to read
27 as follows:

28 490A.1401 LAW GOVERNING.

29 The law of the state or other jurisdiction under which a
30 foreign limited liability company is formed governs its
31 formation and internal affairs and the liability of its
32 members and managers. A foreign limited liability company
33 shall not be denied registration a certificate of authority by
34 reason of any difference between those laws and the laws of
35 this state. A foreign limited liability company holding a

1 valid registration certificate of authority in this state
2 shall have no greater rights and privileges than a domestic
3 limited liability company. The registration certificate of
4 authority shall not be deemed to authorize the foreign limited
5 liability company to exercise any of its powers or purposes
6 that a domestic limited liability company is forbidden by law
7 to exercise in this state.

8 Sec. 33. Section 490A.1402, Code 2005, is amended by
9 striking the section and inserting in lieu thereof the
10 following:

11 490A.1402 APPLICATION FOR CERTIFICATE OF AUTHORITY.

12 1. A foreign limited liability company may apply for a
13 certificate of authority to transact business in this state by
14 delivering an application to the secretary of state for
15 filing. The application must set forth all of the following:

16 a. The name of the foreign limited liability company or,
17 if its name is unavailable for use in this state, a name that
18 satisfies the requirements of section 490A.401.

19 b. The name of the state or country under whose law it is
20 organized.

21 c. Its date of formation and period of duration.

22 d. The street address of its principal office.

23 e. The address of its registered office in this state and
24 the name of its registered agent at that address as provided
25 in subchapter V.

26 2. The foreign limited liability company shall deliver the
27 completed application to the secretary of state, and also
28 deliver to the secretary of state a certificate of existence
29 or a document of similar import duly authenticated by the
30 secretary of state or proper officer of the state or other
31 jurisdiction of its formation which is dated no earlier than
32 ninety days prior to the date the application is filed with
33 the secretary of state.

34 Sec. 34. Section 490A.1404, unnumbered paragraph 1, Code
35 2005, is amended to read as follows:

1 A certificate of registration authority shall not be issued
2 to a foreign limited liability company unless the name of the
3 limited liability company satisfies the requirements of
4 section 490A.401. To obtain or maintain a certificate of
5 registration authority, the company shall comply with the
6 following:

7 Sec. 35. Section 490A.1405, Code 2005, is amended to read
8 as follows:

9 490A.1405 CHANGE AND AMENDMENT.

10 If any statement in the application for registration a
11 certificate of authority of a foreign limited liability
12 company was false when made or any arrangements or other facts
13 described have changed, making the application inaccurate in
14 any respect, the foreign limited liability company shall
15 promptly deliver to the secretary of state for filing articles
16 of correction correcting such statement as required by section
17 490A.123.

18 Sec. 36. Section 490A.1406, subsection 1, paragraph b,
19 Code 2005, is amended to read as follows:

20 b. That the foreign limited liability company is not
21 transacting business in this state and that it surrenders its
22 registration certificate of authority to transact business in
23 this state.

24 Sec. 37. Section 490A.1406, subsection 2, Code 2005, is
25 amended to read as follows:

26 2. The certificate of registration authority shall be
27 canceled upon the filing of the certificate of cancellation by
28 the secretary of state.

29 Sec. 38. Section 490A.1410, subsection 2, unnumbered
30 paragraph 1, Code 2005, is amended to read as follows:

31 A certificate of registration authority of a foreign
32 limited liability company shall not be revoked by the
33 secretary of state, unless both of the following apply:

34
35

DIVISION IV
TRADITIONAL COOPERATIVES

1 Sec. 39. Section 499.78, subsection 1, unnumbered
2 paragraph 1, Code 2005, is amended to read as follows:

3 An association administratively dissolved under section
4 499.77 may apply to the secretary of state for reinstatement
5 within-two-years at any time after the effective date of
6 dissolution. The application must meet all of the following
7 requirements:

8 DIVISION V

9 CLOSED COOPERATIVES

10 Sec. 40. Section 501.104, Code 2005, is amended to read as
11 follows:

12 501.104 NAME.

13 The name of a cooperative organized under this chapter must
14 comply with all of the following:

15 1. The name must contain the word "cooperative", "coop",
16 or "co-op",-and-the.

17 2. The name must be distinguishable from the-names all of
18 the following:

19 a. The name of cooperatives a cooperative organized under
20 this chapter or.

21 b. The name of a cooperative or cooperative association
22 organized under another chapter, including chapter 497, 498,
23 499, or 501A.

24 c. The name of a foreign cooperatives cooperative,
25 cooperative association, or corporation authorized to do
26 business in this state, including as provided in section
27 499.54 or section 501A.221.

28 d. The name of a cooperative which has been
29 administratively dissolved pursuant to section 501.812 for a
30 period of less than five years from the effective date of the
31 dissolution.

32 Sec. 41. Section 501.813, subsection 1, unnumbered
33 paragraph 1, Code 2005, is amended to read as follows:

34 A cooperative administratively dissolved under section
35 501.812 may apply to the secretary of state for reinstatement

1 within-two-years at any time after the effective date of
2 dissolution. The application must meet all of the following
3 requirements:

4 Sec. 42. Section 501.813, subsection 1, paragraph c, Code
5 2005, is amended to read as follows:

6 c. State If the application is received more than five
7 years after the effective date of the cooperative's
8 dissolution, state a name that satisfies the requirements of
9 section 501.104.

10 Sec. 43. Section 501.813, subsection 2, paragraph b, Code
11 2005, is amended to read as follows:

12 b. (1) If the secretary of state determines that the
13 application contains the information required by subsection 1,
14 and that a delinquency or liability reported pursuant to
15 paragraph "a" has been satisfied, and that the information is
16 correct, the secretary of state shall cancel the certificate
17 of dissolution and prepare a certificate of reinstatement that
18 recites the secretary of state's determination and the
19 effective date of reinstatement, file the ~~original-of-the~~
20 certificate document, and serve deliver a copy on to the
21 cooperative under section 501.106.

22 (2) If the name of the cooperative as provided in
23 subsection 1, paragraph "c", is different than the name in
24 subsection 1, paragraph "a", the certificate of reinstatement
25 shall constitute an amendment to the articles of association
26 insofar as it pertains to the name. A cooperative shall not
27 relinquish the right to retain its name if the reinstatement
28 is effective within five years of the effective date of the
29 cooperative's dissolution.

30 DIVISION VI

31 NONPROFIT CORPORATIONS

32 Sec. 44. Section 504.401, subsection 2, paragraph b, Code
33 Supplement 2005, is amended by striking the paragraph and
34 inserting in lieu thereof the following:

35 b. A name reserved, registered, or protected as follows:

1 (1) For a limited liability partnership, section 486A.1001
2 or 486A.1002.

3 (2) For a limited partnership, section 488.108, 488.109,
4 or 488.810.

5 (3) For a business corporation, section 490.401, 490.402,
6 490.403, or 490.1422.

7 (4) For a limited liability company, section 490A.401,
8 490A.402, or 490A.1314.

9 (5) For a nonprofit corporation, this section or section
10 504.402, 504.403, or 504.1423.

11 Sec. 45. Section 504.401, subsection 5, Code Supplement
12 2005, is amended to read as follows:

13 5. This chapter does not control the use of fictitious
14 names; however, if a corporation or a foreign corporation uses
15 a fictitious name in this state, it shall deliver to the
16 secretary of state for filing a certified copy of the
17 resolution of its board of directors, certified by its
18 secretary filed and executed pursuant to section 504.111,
19 adopting the fictitious name.

20 Sec. 46. Section 504.403, subsection 1, paragraph b, Code
21 Supplement 2005, is amended by striking the paragraph and
22 inserting in lieu thereof the following:

23 b. A name reserved, registered, or protected as follows:

24 (1) For a limited liability partnership, section 486A.1001
25 or 486A.1002.

26 (2) For a limited partnership, section 488.108, 488.109,
27 or 488.810.

28 (3) For a business corporation, section 490.401, 490.402,
29 490.403, or 490.1422.

30 (4) For a limited liability company, section 490A.401,
31 490A.402, or 490A.1314.

32 (5) For a nonprofit corporation, this section or section
33 501.401, 501.402, or 504.1423.

34 Sec. 47. Section 504.702, subsection 1, paragraph b, Code
35 2005, is amended to read as follows:

1 b. Except as provided in the articles or bylaws of a
2 religious corporation, if the holders of at least five percent
3 of the voting power of any corporation sign, date, and deliver
4 to any corporate officer one or more written demands for the
5 meeting describing the purpose for which it is to be held.
6 Unless otherwise provided in the articles of incorporation, a
7 written demand for a special meeting may be revoked by a
8 writing to that effect received by the corporation prior to
9 the receipt by the corporation of demands sufficient in number
10 to require the holding of a special meeting.

11 Sec. 48. Section 504.808, subsection 10, unnumbered
12 paragraph 1, Code 2005, is amended to read as follows:

13 The articles or bylaws of a religious corporation may do
14 both of the following:

15 Sec. 49. Section 504.901, Code Supplement 2005, is amended
16 to read as follows:

17 504.901 PERSONAL LIABILITY.

18 1. Except as otherwise provided in this chapter, a
19 director, officer, employee, or member of a corporation is not
20 liable for the corporation's debts or obligations and a
21 director, officer, member, or other volunteer is not
22 personally liable in that capacity to any person for any
23 action taken or failure to take any action in the discharge of
24 the person's duties except liability for any of the following:

25 ~~1-~~ a. The amount of any financial benefit to which the
26 person is not entitled.

27 ~~2-~~ b. An intentional infliction of harm on the
28 corporation or the members.

29 ~~3-~~ c. A violation of section 504.835.

30 ~~4-~~ d. An intentional violation of criminal law.

31 2. A provision set forth in the articles of incorporation
32 eliminating or limiting the liability of a director to the
33 corporation or its members for money damages for any action
34 taken, or any failure to take any action, pursuant to section
35 504.202, subsection 2, paragraph "d", shall not affect the

1 applicability of this section.

2 Sec. 50. Section 504.1001, Code 2005, is amended to read
3 as follows:

4 504.1001 AUTHORITY TO AMEND.

5 A corporation may amend its articles of incorporation at
6 any time to add or change a provision that is required or
7 permitted in the articles as of the effective date of the
8 amendment or to delete a provision that is not required to be
9 contained in the articles of incorporation. ~~Whether-a~~
10 ~~provision-is-required-or-permitted-in-the-articles-is~~
11 ~~determined-as-of-the-effective-date-of-the-amendment-~~

12 Sec. 51. Section 504.1002, subsection 1, Code 2005, is
13 amended to read as follows:

14 1. Unless the articles of incorporation provide otherwise,
15 a corporation's board of directors may adopt ~~one-or-more~~
16 amendments to the corporation's articles of incorporation
17 without member approval ~~to-do~~ for any of the following
18 purposes:

19 a. ~~Extend~~ To extend the duration of the corporation if it
20 was incorporated at a time when limited duration was required
21 by law.

22 b. ~~Delete~~ To delete the names and addresses of the initial
23 directors.

24 c. ~~Delete~~ To delete the name and address of the initial
25 registered agent or registered office, if a statement of
26 change is on file with the secretary of state.

27 d. ~~Change~~ To change the corporate name by substituting the
28 word "corporation", "incorporated", "company", "limited", or
29 the abbreviation "corp.", "inc.", "co.", or "ltd.", for a
30 similar word or abbreviation in the name, or by adding,
31 deleting, or changing a geographical attribution to the name.

32 e. ~~Make~~ To make any other change expressly permitted by
33 this subchapter to be made by director action.

34 Sec. 52. Section 504.1005, unnumbered paragraph 1, Code
35 2005, is amended to read as follows:

1 A After an amendment to the articles of incorporation has
2 been adopted and approved in the manner required by this
3 chapter and by the articles of incorporation or bylaws, the
4 corporation amending its articles shall deliver to the
5 secretary of state, for filing, articles of amendment setting
6 forth:

7 Sec. 53. Section 504.1005, subsections 4 and 5, Code 2005,
8 are amended to read as follows:

9 4. If approval by members was not required, ~~a-statement-to~~
10 ~~that-effect-and~~ a statement that the amendment was duly
11 approved by ~~a-sufficient-vote-of~~ the incorporators or by the
12 board of directors ~~or-incorporators,~~ as the case may be, and
13 that member approval was not required.

14 5. If approval by members was required, ~~both-of-the~~
15 ~~following:~~

16 ~~a--The-designation, number-of-memberships-outstanding,~~
17 ~~number-of-votes-entitled-to-be-cast-by-each-class-entitled-to~~
18 ~~vote-separately-on-the-amendment, and-number-of-votes-of-each~~
19 ~~class-indisputably-voting-on-the-amendment.~~

20 ~~b--Either-the-total-number-of-votes-cast-for-and-against~~
21 ~~the-amendment-by-each-class-entitled-to-vote-separately-on-the~~
22 ~~amendment-or-the-total-number-of-undisputed-votes-cast-for-the~~
23 ~~amendment-by-each-class-and~~ a statement that the number of
24 votes cast for the amendment by each class was sufficient for
25 approval by that class duly approved by the members in the
26 manner required by this chapter, the articles of
27 incorporation, and bylaws.

28 Sec. 54. Section 504.1006, Code 2005, is amended to read
29 as follows:

30 504.1006 RESTATED ARTICLES OF INCORPORATION.

31 1. A corporation's board of directors may restate the
32 corporation's articles of incorporation at any time with or
33 without approval by members or any other person, to
34 consolidate all amendments into a single document.

35 2. ~~The-restatement-may~~ If the restated articles include

1 one or more new amendments to the articles. If the
2 restatement includes an amendment requiring that require
3 approval by the members or any other person, it the amendments
4 must be adopted as provided in section 504.1003.

5 ~~3. If the restatement includes an amendment requiring~~
6 ~~approval by members, the board must submit the restatement to~~
7 ~~the members for their approval.~~

8 ~~4. If the board seeks to have the restatement approved by~~
9 ~~the members at a membership meeting, the corporation shall~~
10 ~~notify each of its members of the proposed membership meeting~~
11 ~~in writing in accordance with section 504.705. The notice~~
12 ~~must also state that the purpose, or one of the purposes, of~~
13 ~~the meeting is to consider the proposed restatement and must~~
14 ~~contain or be accompanied by a copy or summary of the~~
15 ~~restatement that identifies any amendments or other changes~~
16 ~~the restatement would make in the articles.~~

17 ~~5. If the board seeks to have the restatement approved by~~
18 ~~the members by written ballot or written consent, the material~~
19 ~~soliciting the approval shall contain or be accompanied by a~~
20 ~~copy or summary of the restatement that identifies any~~
21 ~~amendments or other changes the restatement would make in the~~
22 ~~articles.~~

23 ~~6. A restatement requiring approval by the members must be~~
24 ~~approved by the same vote as an amendment to articles under~~
25 ~~section 504.1003.~~

26 7. 3. If the restatement includes an amendment requiring
27 approval pursuant to section 504.1031, the board must submit
28 the restatement for such approval.

29 8. 4. A corporation restating that restates its articles
30 of incorporation shall deliver to the secretary of state for
31 filing articles of restatement setting forth the name of the
32 corporation and the text of the restated articles of
33 incorporation together with a certificate ~~setting forth all of~~
34 ~~the following:~~

35 a. ~~Whether the restatement contains an amendment to the~~

1 ~~articles requiring approval by the members or any other person~~
2 ~~other than the board of directors and, if it does not, that~~
3 ~~the board of directors adopted the restatement.~~

4 ~~b. If the restatement contains an amendment to the~~
5 ~~articles requiring approval by the members, the information~~
6 ~~required by section 504.1005.~~

7 ~~c. If the restatement contains an amendment to the~~
8 ~~articles requiring approval by a person whose approval is~~
9 ~~required pursuant to section 504.1031, a statement that such~~
10 ~~approval was obtained stating that the restated articles~~
11 ~~consolidate all amendments into a single document. If a new~~
12 ~~amendment is included in the restated articles, the~~
13 ~~corporation shall include the statement required in section~~
14 ~~504.1005.~~

15 9. 5. Duly adopted restated articles of incorporation
16 supersede the original articles of incorporation and all
17 amendments to the original articles of incorporation.

18 ~~10.~~ 6. The secretary of state may certify restated
19 articles of incorporation as the articles of incorporation
20 currently in effect without including the certificate
21 information required by subsection 8 4.

22 Sec. 55. Section 504.1007, subsection 1, Code 2005, is
23 amended to read as follows:

24 1. A corporation's articles may be amended without board
25 approval or approval by the members or approval required
26 pursuant to section 504.1031 to carry out a plan of
27 reorganization ordered or decreed by a court of competent
28 jurisdiction under ~~federal statute if the articles after~~
29 ~~amendment contain only provisions required or permitted by~~
30 ~~section 504.202~~ the authority of law of the United States.

31 Sec. 56. Section 504.1008, Code Supplement 2005, is
32 amended to read as follows:

33 504.1008 EFFECT OF AMENDMENT AND RESTATEMENT.

34 An amendment to the articles of incorporation does not
35 affect a cause of action existing against or in favor of the

1 corporation, a proceeding to which the corporation is a party,
2 any requirement or limitation imposed upon the corporation, or
3 any property held by it by virtue of any trust upon which such
4 property is held by the corporation, or the existing rights of
5 persons other than members of the corporation. An amendment
6 changing a corporation's name does not abate a proceeding
7 brought by or against the corporation in its former name.

8 Sec. 57. Section 504.1423, subsection 1, unnumbered
9 paragraph 1, Code 2005, is amended to read as follows:

10 A corporation administratively dissolved under section
11 504.1422 may apply to the secretary of state for reinstatement
12 within-two-years at any time after the effective date of
13 dissolution. The application must state all of the following:

14 Sec. 58. Section 504.1423, subsection 1, paragraph c, Code
15 2005, is amended to read as follows:

16 c. That if the application is received more than five
17 years after the effective date of dissolution, state the
18 corporation's name satisfies the requirements of section
19 504.401.

20 Sec. 59. Section 504.1423, subsection 2, paragraph b, Code
21 2005, is amended to read as follows:

22 b. (1) If the secretary of state determines that the
23 application contains the information required by subsection 1,
24 that a delinquency or liability reported pursuant to paragraph
25 "a" has been satisfied, and that all of the application
26 information is correct, the secretary of state shall cancel
27 the certificate of dissolution and prepare a certificate of
28 reinstatement reciting that determination and the effective
29 date of reinstatement, file the ~~original-of-the-certificate~~
30 document, and serve deliver a copy on to the corporation under
31 section 504.504.

32 (2) If the corporate name in subsection 1, paragraph "c",
33 is different from the corporate name in subsection 1,
34 paragraph "a", the certificate of reinstatement shall
35 constitute an amendment to the articles of incorporation

1 insofar as it pertains to the corporate name. A corporation
2 shall not relinquish the right to retain its corporate name if
3 the reinstatement is effective within five years of the
4 effective date of the corporation's dissolution.

5 Sec. 60. Section 504.1506, subsection 2, paragraph b, Code
6 Supplement 2005, is amended to read as follows:

7 b. A corporate name reserved, ~~or~~ registered under, or
8 protected as provided in section 490.402 or 490.403 or section
9 504.402 or 504.403.

10 Sec. 61. NEW SECTION. 504.1607 EXCEPTION TO NOTICE
11 REQUIREMENT.

12 1. Whenever notice is required to be given under any
13 provision of this chapter to any member, such notice shall not
14 be required to be given if notice of two consecutive annual
15 meetings, and all notices of meetings during the period
16 between such two consecutive annual meetings, have been sent
17 to the member at the member's address as shown on the records
18 of the corporation and have been returned as undeliverable.

19 2. If the member delivers to the corporation a written
20 notice setting forth the member's then-current address, the
21 requirement that notice be given to the member shall be
22 reinstated.

23 EXPLANATION

24 This bill is divided into a number of divisions
25 corresponding to Code chapters governing different forms of
26 business entities, including division I which amends
27 provisions in Code chapter 488 governing limited partnerships,
28 division II which amends provisions in Code chapter 490
29 governing business corporations, division III which amends
30 provisions in Code chapter 490A governing limited liability
31 companies, division IV amending provisions in Code chapter 499
32 governing traditional cooperative associations, division V
33 which amends provisions in Code chapter 501 governing closed
34 cooperatives, and division VI which amends provisions in Code
35 chapter 504 governing nonprofit corporations.

1 DIVISION I -- LIMITED PARTNERSHIPS. Code section 488.108
2 restricts how a limited partnership may name itself. The
3 division provides that the name must be distinguished from
4 names of other business entities in existence or which may be
5 reinstated following dissolution, including a limited
6 liability partnership (Code chapter 486A), a limited
7 partnership (under the Code chapter), a business corporation
8 (Code chapter 490), a limited liability company (Code chapter
9 490A), or a nonprofit corporation (Code chapter 504).

10 Code section 488.810 provides for a limited partnership's
11 reinstatement after it has been administratively dissolved.
12 The bill eliminates a requirement that the limited partnership
13 must apply within two years to the secretary of state for
14 reinstatement. It also provides that a limited partnership
15 has five years to reclaim its name following the effective
16 date of an administrative dissolution.

17 Code section 488.810 provides procedures for reinstatement
18 by the secretary of state. The division provides that the
19 secretary of state is to deliver (mail) a copy of the
20 declaration of reinstatement to the limited partnership rather
21 than to utilize service of process procedures.

22 DIVISION II -- BUSINESS CORPORATIONS. Code section 490.401
23 restricts how a business corporation may name itself. The
24 division provides that the name must be distinguished from
25 names of other business entities in existence or which may be
26 reinstated following dissolution, in the same manner as
27 provided in division I.

28 Code section 490.704 is amended to allow a business
29 corporation to take action without a meeting with the consent
30 of shareholders having the minimum number of votes required to
31 authorize the action at a meeting.

32 Code section 490.1422 provides procedures for reinstatement
33 by the secretary of state. The division provides that the
34 secretary of state may deliver (mail) the business corporation
35 a copy of the declaration of reinstatement rather than utilize

1 service of process procedures. It also provides that a
2 corporation does not relinquish the right to retain its
3 corporate name if the reinstatement is effective within five
4 years of the effective date of the corporation's dissolution
5 in the same manner as provided in division I. The division
6 also amends a provision in the Code section by allowing it to
7 list only one registered agent.

8 DIVISION III -- LIMITED LIABILITY COMPANIES. Code section
9 490A.121 provides for the filing of documents with the office
10 of the secretary of state. The division eliminates
11 requirements that documents be endorsed and provides that the
12 secretary of state must acknowledge the date and time of
13 filing. It eliminates a requirement that the secretary of
14 state return an unfiled document to the limited liability
15 company within a specified time period.

16 Code section 490A.124 lists filing fees for a number of
17 documents filed with the secretary of state, including an
18 application fee for a registered name reserved per month and
19 an application for the renewal of a registered name. The
20 division provides that these items have no fees.

21 Code section 490A.131 requires a limited liability company
22 to deliver a biennial report to the secretary of state. The
23 division eliminates requirements relating to the mailing
24 address of the limited liability company's registered office
25 and agent.

26 Code section 490A.201 is amended to provide that a limited
27 liability company may have as its purpose any lawful activity,
28 not just a lawful business activity.

29 Code section 490A.305 is amended to further describe the
30 requirements for maintenance of separate and distinct records
31 associated with a series of members, managers, or membership
32 interests of a limited liability company.

33 Code section 490A.401 restricts how a limited liability
34 company may name itself. The division provides that the name
35 must be distinguished from names of other business entities in

1 existence or which may be reinstated following dissolution, in
2 the same manner as provided for business entities described in
3 division I and division II.

4 The division creates a number of new provisions relating to
5 the dissolution of a limited liability company. New Code
6 section 490A.1308 provides for the revocation of a voluntary
7 dissolution. Other provisions provide for administrative
8 dissolution. New Code section 490A.1311 provides grounds for
9 an administrative dissolution. New Code section 490A.1312
10 provides procedures for administrative dissolution. New Code
11 section 490A.1313 provides for reinstatement following
12 administrative dissolution. New Code section 490A.1314
13 provides for appeal from a denial of reinstatement. In
14 addition, Code section 490A.1402 is rewritten to provide a
15 procedure for an application for a certificate of authority
16 for a foreign limited liability company. It replaces
17 provisions in a number of Code sections which refer to
18 registration requirements.

19 DIVISION IV -- TRADITIONAL COOPERATIVES. The division
20 amends a provision in Code section 499.78 which provides for
21 the administrative dissolution of a cooperative association
22 and allows a cooperative association to apply for
23 reinstatement within two years after the effective date of the
24 dissolution. The division eliminates that deadline
25 requirement in the same manner as for other business entities
26 described in the previous divisions.

27 DIVISION V -- CLOSED COOPERATIVES. Code section 501A.104
28 restricts how a closed cooperative may name itself. The
29 division amends the Code section to provide that the name must
30 be distinguishable from other cooperatives or cooperative
31 associations organized under the Code chapter or other Code
32 chapters, including the name of a closed cooperative which has
33 been administratively dissolved in the same manner as
34 amendments to provisions in division I, division II, and
35 division III.

1 Code section 501A.813 provides for the administrative
2 dissolution of a cooperative association and allows a
3 cooperative association to apply for reinstatement within two
4 years after the effective date of the dissolution. The
5 division eliminates that deadline requirement in the same
6 manner as provided for the preceding divisions of the bill.
7 The division also provides that a closed cooperative does not
8 relinquish the right to retain its name if it is reinstated
9 within five years of the effective date of the closed
10 cooperative's dissolution in the same manner as for other
11 business entities described in division I, division II, and
12 division III.

13 DIVISION VI -- NONPROFIT CORPORATIONS. Code section
14 504.401 restricts how a nonprofit corporation may name itself.
15 The division provides that the name must be distinguished from
16 names of other business entities in existence or which may be
17 reinstated following dissolution, in the same manner as the
18 business entities described in division I, division II, and
19 division III.

20 Code section 504.401 also provides requirements for the
21 filing of a resolution adopted by a nonprofit corporation's
22 board of directors which adopts a fictitious name. The
23 division provides that the resolution is not required to be
24 certified by the board.

25 Code section 504.702 is amended to provide that any
26 nonprofit corporation, not just a religious corporation, can
27 alter the statutory demand requirements for holding a special
28 meeting of the corporation in its corporate articles or
29 bylaws.

30 Code section 504.808 is amended to provide that any
31 nonprofit corporation, not just a religious corporation, can
32 alter the statutory requirements for removal of elected
33 corporate directors in its corporate articles or bylaws.

34 Code section 504.1001 is amended to make the language
35 consistent with Code section 490.1001, relating to business

1 corporations, by providing that a nonprofit corporation has
2 the authority to amend its articles of incorporation by adding
3 or changing a provision that is required or permitted in the
4 articles of incorporation as of the effective date of the
5 amendment, or to delete a provision not required in the
6 articles of incorporation.

7 Code section 504.1002 is amended to make the language
8 consistent with Code section 490.1005 relating to business
9 corporations, providing for amendments of articles of
10 incorporation by corporate directors.

11 Code section 504.1005 is amended to make the language
12 consistent with Code section 490.1006 relating to business
13 corporations, and provides that articles of amendment of a
14 nonprofit corporation be adopted and approved as required by
15 law and by the corporate articles or bylaws before being
16 delivered to the secretary of state for filing.

17 Code section 504.1005, subsections 4 and 5, are amended to
18 make the language consistent with Code section 490.1006
19 relating to business corporations, and provides that the
20 articles of amendment of a nonprofit corporation must include
21 a statement that member approval was not required and the
22 amendment was approved by the incorporators or directors, or a
23 statement that member approval was required and was approved
24 as required by law and by the corporate articles or bylaws.

25 Code section 504.1006 is amended to make the language
26 consistent with Code section 490.1007 relating to business
27 corporations, and provides that a nonprofit corporation's
28 board of directors may consolidate all amendments into a
29 single restated article of incorporation, any new amendments
30 included in the restated articles that require approval must
31 meet the requirements for amendments contained in Code section
32 504.1003, and restated articles of incorporation must be
33 delivered to the secretary of state for filing accompanied by
34 a certificate stating that the restated articles consolidate
35 all amendments into one document and, if new amendments are

1 included, the statement required under Code section 504.1005.

2 Code section 504.1007 is amended to make the language
3 consistent with Code section 490.1008 relating to business
4 corporations, and provides that a nonprofit corporation's
5 articles may be amended without board or member approval or
6 approval by a third person under Code section 504.1031 to
7 carry out a plan of reorganization ordered by a court of
8 competent jurisdiction under the authority of United States
9 law.

10 Code section 504.1008 is amended to make the language
11 consistent with Code section 490.1009, relating to business
12 corporations, and is a technical correction.

13 Code section 504.1423 provides for a nonprofit
14 corporation's reinstatement after it has been administratively
15 dissolved. The division eliminates a requirement that the
16 limited partnership must apply within two years to the
17 secretary of state for reinstatement and provides that a
18 limited partnership has five years to reclaim its name
19 following the effective date of the administrative dissolution
20 in the same manner as provided in division I, division II,
21 division III, and division IV.

22 New Code section 504.1607 provides that notice to a member
23 of a nonprofit corporation is no longer required if notice of
24 two consecutive annual meetings and all notices of meetings
25 between the two consecutive annual meetings have been sent to
26 the member at the address of record and returned as
27 undeliverable. The notice requirement can be reinstated if
28 the member delivers written notice of the member's current
29 address to the corporation.

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