

Senate File 564 - Introduced

SENATE FILE 564
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 1216)

(COMPANION TO LSB 2269HV BY
COMMITTEE ON COMMERCE)

A BILL FOR

1 An Act providing for actions taken by a board of directors of a
2 corporation without a meeting.

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

1 Section 1. Section 490.821, Code 2021, is amended to read
2 as follows:

3 **490.821 Action without meeting.**

4 1. Except to the extent that the articles of incorporation
5 or bylaws require that action by the board of directors be
6 taken at a meeting, action required or permitted by this
7 chapter to be taken by the board of directors may be taken
8 without a meeting if each director signs a consent describing
9 the action to be taken and delivers it to the corporation.
10 A consent may be signed by manual, facsimile, conformed,
11 or electronic signature and may be delivered by electronic
12 transmission. As used in this subsection, "electronic
13 signature" means the same as defined in section 554D.103.

14 2. Action taken under **this section** is the act of the board
15 of directors when one or more consents signed by all the
16 directors are delivered to the corporation. The consent may
17 specify the time at which the action taken is to be effective.
18 A director's consent may be withdrawn by a revocation signed by
19 the director and delivered to the corporation ~~prior to~~ before
20 delivery to the corporation of unrevoked written consents
21 signed by all the directors.

22 3. A consent signed under **this section** has the effect of ~~an~~
23 action taken at a meeting of the board of directors and may be
24 described as such in any document.

25 Sec. 2. PREVAILING PROVISIONS. The provisions of this Act
26 amending section 490.821 shall prevail over any conflicting
27 provisions of any other Act amending that section as enacted by
28 the Eighty-ninth General Assembly, 2021 Regular Session.

29 EXPLANATION

30 The inclusion of this explanation does not constitute agreement with
31 the explanation's substance by the members of the general assembly.

32 This bill amends a provision in the Iowa business
33 corporation Act (IBCA) that allows a corporation's board of
34 directors to take action without a meeting if the directors
35 by unanimous consent agree to the action without a meeting,

1 unless the corporation's articles of incorporation restricts
2 the board's authority to take action without a meeting (Code
3 section 490.821(1)). The bill provides that a director's
4 consent may be signed by manual, facsimile, conformed,
5 or electronic signature. The consent may be delivered by
6 electronic transmission (via electronic sound, symbol, or
7 process attached to or logically associated with a record)
8 (Code section 490.140(13)). A facsimile, conformed (typed),
9 or electronic signature is used to authenticate a document in
10 place of a manual signature (a physical mark impressed into
11 paper).

12 The bill also makes stylistic changes to the provision
13 (Code section 490.821(2) and (3)) to conform with changes
14 recommended by the American bar association and included in
15 legislation being considered by the General Assembly (SF 266
16 and HSB 39). The provisions of the bill which include the new
17 consent process by directors prevails over a provision in other
18 legislation that does not include that consent provision if
19 both were to be enacted.