

Private institutions and entities may submit educational telecommunications proposals for coordination.

Sec. 16. NEW SECTION. 303.85 NARROWCAST OPERATIONS.

The board shall not use, permit use, or permit resale of its telecommunications narrowcast system for other than educational purposes. The board, in the establishment and operation of its telecommunications narrowcast system, shall use facilities and services of the private telecommunications industry companies to the greatest extent possible and is prohibited from constructing telecommunications facilities unless comparable facilities are not available from the private telecommunications industry at comparable quality and price.

Notwithstanding chapter 476, the provisions of chapter 476 shall not apply to a public utility in furnishing a telecommunications service or facility to the board.

Sec. 17. Section 303.83, Code 1987, is repealed.

Sec. 18. The terms of office of members of the Iowa public broadcasting board shall expire on the effective date of this Act. Insofar as possible, members of the board shall be appointed from the membership of the Iowa public broadcasting board on June 30, 1987. For the initial board, the members appointed by the state board of regents, by the state board of education and by the governor from the fund-raising nonprofit organization shall serve one-year terms; the members appointed by the administrators of the area education agencies and by the state association representing private colleges and universities and by the governor from the business community shall serve two-year terms; and the member appointed by the superintendents of the merged area schools, the member appointed by the governor from the commercial broadcast industry, and the member appointed by the governor from the general public shall serve three-year terms.

Sec. 19. Section 2 of this Act prevails over section 256.7, subsection 8, unnumbered paragraph 4, contained in section 1 of Senate File 333 if Senate File 333 is enacted by the Seventy-second General Assembly, 1987 Session, and becomes law.

Approved June 5, 1987

---

## CHAPTER 212

### PERSONAL LIABILITY AND INDEMNIFICATION

*S.F. 471*

**AN ACT** relating to indemnification and limitation of liability of directors and officers and to liability of persons who volunteer services to the state or a municipality or a nonprofit organization.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. NEW SECTION. 25A.24 STATE VOLUNTEERS.

A person who performs services for the state government or any agency or subdivision of state government and who does not receive compensation is not personally liable for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for acts or omissions which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit. For purposes of this section, "compensation" does not include payments to reimburse a person for expenses.

Sec. 2. Section 491.5, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 8. A provision which eliminates or limits the personal liability of a director to the corporation or its shareholders or members for monetary damages for breach

of fiduciary duty as a director, provided that the provision does not eliminate or limit the liability of a director for a breach of the director's duty of loyalty to the corporation or its shareholders or members, for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or for a transaction from which the director derives an improper personal benefit. A provision in the articles of incorporation shall not eliminate or limit the liability of a director for an act or omission occurring prior to the date when the provision becomes effective.

Sec. 3. Section 496A.4A, subsection 1, paragraph a, Code 1987, is amended to read as follows:

a. "Director" means ~~any~~ a person who is or was a director of the corporation and ~~any~~ a person who, while a director of the corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan. Heirs, executors, personal representatives, and administrators of the person are included.

Sec. 4. Section 496A.4A, subsection 7, Code 1987, is amended by striking the subsection and inserting in lieu thereof the following:

7. Except as limited in subsection 2 with respect to proceedings by or in the right of the corporation, the indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this section are not exclusive of any other rights to which those seeking indemnification or advancement of expenses are entitled under a provision in the articles of incorporation or bylaws, agreements, vote of shareholders or disinterested directors, or otherwise, both as to action in a person's official capacity and as to action in another capacity while holding the office. However, the provisions or agreements shall not provide indemnification for a breach of the director's duty of loyalty to the corporation or its stockholders, for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, for a transaction from which the director derives an improper personal benefit, or under section 496A.44.

Sec. 5. Section 496A.49, Code 1987, is amended by adding the following new subsection as subsection 13 and renumbering the existing subsection 13:

NEW SUBSECTION. 13. A provision which eliminates or limits the personal liability of a director to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, provided that the provision shall not eliminate or limit the liability of a director for a breach of the director's duty of loyalty to the corporation or its stockholders, for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, for a transaction from which the director derives an improper personal benefit, or under section 496A.44. A provision shall not eliminate or limit the liability of a director for an act or omission occurring prior to the date when the provision in the articles of incorporation becomes effective.

Sec. 6. NEW SECTION. 497.33 PERSONAL LIABILITY.

Except as otherwise provided in this chapter, a director, officer, employee, or member of the corporation is not liable on the corporation's debts or obligations and a director, officer, member, or other volunteer is not personally liable in that capacity, for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for a breach of the duty of loyalty to the corporation, for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit.

Sec. 7. NEW SECTION. 498.35 PERSONAL LIABILITY.

Except as otherwise provided in this chapter, a director, officer, employee, or member of the association is not liable on the association's debts or obligations and a director, officer, member, or other volunteer is not personally liable in that capacity, for a claim based upon

an act or omission of the person performed in the discharge of the person's duties, except for a breach of the duty of loyalty to the association, for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit.

Sec. 8. NEW SECTION. 499.72 PERSONAL LIABILITY.

Except as otherwise provided in this chapter, a director, officer, employee, or member of the association is not liable on the debts or obligations, and a director, officer, member, or other volunteer is not personally liable in that capacity, for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for a breach of the duty of loyalty to the association, for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit.

Sec. 9. NEW SECTION. 504.17 PERSONAL LIABILITY.

Except as otherwise provided in this chapter, a director, officer, employee, or member of the corporation is not liable on the corporation's debts or obligations and a director, officer, member, or other volunteer is not personally liable in that capacity, for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for a breach of the duty of loyalty to the corporation, for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit.

Sec. 10. Section 504A.4, subsection 14, is amended by striking the subsection and inserting in lieu thereof the following:

14. A corporation operating under this chapter may indemnify any present or former director, officer, employee, member, or volunteer in the manner and in the instances authorized in section 496A.4A.

Sec. 11. Section 504A.101, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

504A.101 PERSONAL LIABILITY.

Except as otherwise provided in this chapter, a director, officer, employee, or member of the corporation is not liable on the corporation's debts nor obligations and a director, officer, member, or other volunteer is not personally liable in that capacity, for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for a breach of the duty of loyalty to the corporation, for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit.

Sec. 12. Section 524.302, Code 1987, is amended by adding the following new subsection as subsection 10 and renumbering the existing subsection 10:

NEW SUBSECTION. 10. A provision which eliminates or limits the personal liability of a director to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, provided that the provision does not eliminate or limit the liability of a director for a breach of the director's duty of loyalty to the corporation or its stockholders, for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, for a transaction from which the director derives an improper personal benefit, or under subsections 1 and 2 of section 524.605. A provision shall not eliminate or limit the liability of a director for an act or omission occurring prior to the date when the provision in the articles of incorporation becomes effective.

Sec. 13. Section 533.1, Code 1987, is amended by adding the following new subsection:

**NEW SUBSECTION. 8.** The original articles or amended articles may contain a provision which eliminates or limits the personal liability of a director, officer, or employee of the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, officer, or employee, provided that the provision does not eliminate or limit the liability of a director, officer, or employee for a breach of the director's, officer's, or employee's duty of loyalty to the corporation or its stockholders, for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or for a transaction from which the director, officer, or employee derives an improper personal benefit. A provision shall not eliminate or limit the liability of a director, officer, or employee for an act or omission occurring prior to the date when the provision in the articles of incorporation becomes effective.

Sec. 14. Section 533.4, Code 1987, is amended by adding the following new subsection:

**NEW SUBSECTION. 27.** To provide indemnity for the director, officer, or employee in the same fashion that a corporation organized under chapter 496A could under section 496A.4A, provided that where section 496A.4A provides for action by shareholders the section is applicable to action by members of the credit union and where the section has reference to the corporation organized under chapter 496A, it is applicable to the association organized under this chapter.

Sec. 15. Section 534.501, subsection 1, Code 1987, is amended by adding the following new lettered paragraph:

**NEW LETTER PARAGRAPH. m.** A provision which eliminates or limits the personal liability of a director to the corporation or its shareholders or members, for monetary damages for breach of fiduciary duty as a director, provided that the provision does not eliminate or limit the liability of a director for a breach of the director's duty of loyalty to the association or its stockholders or members, for an act or omission not in good faith or which involves intentional misconduct or knowing violation of the law, or for a transaction from which the director derives an improper personal benefit. A provision shall not eliminate or limit the liability of a director for an act or omission occurring prior to the date when the provision in the articles of incorporation becomes effective.

Sec. 16. Section 534.501, subsection 3, Code 1987, is amended to read as follows:

**3. RESTATED ARTICLES.** Restated articles of incorporation shall set forth the information specified in paragraphs "a", "b", "c", "d", "e", "f", "g", "h", "i", and "j", and "m" of subsection 1.

Sec. 17. Section 534.605, subsection 4, Code 1987, is amended to read as follows:

**4.** Any association operating under this chapter shall have the power to indemnify any present or former director, officer or employee in the manner and in the instances authorized in section 496A.4A. If the association is a mutual association, the references in section 496A.4A to stockholder shall be deemed to be references to members.

Sec. 18. **NEW SECTION. 534.607 INDEMNIFICATION.**

Except as otherwise provided in section 534.602, section 496A.4A applies to associations incorporated under this chapter.

Sec. 19. **NEW SECTION. 613.19 PERSONAL LIABILITY.**

A director, officer, employee, member, trustee, or volunteer, of a nonprofit organization is not liable on the debts or obligations of the nonprofit organization and a director, officer, employee, member, trustee, or volunteer is not personally liable for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for acts or omissions which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit. For purposes of

this section, "nonprofit organization" includes an unincorporated club, association, or other similar entity, however named, if no part of its income or profit is distributed to its members, directors, or officers.

Sec. 20. Section 613A.2, Code 1987, is amended by adding the following new unnumbered paragraph:

**NEW UNNUMBERED PARAGRAPH.** A person who performs services for a municipality or an agency or subdivision of a municipality and who does not receive compensation is not personally liable for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for acts or omissions which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit. For purposes of this section, "compensation" does not include payments to reimburse a person for expenses.

Sec. 21. A corporation may adopt a provision pursuant to section 2, 5, 12, 13, or 15 of this Act prior to the effective date of this Act which shall become effective upon the effective date of this Act.

Approved June 5, 1987

---

## CHAPTER 213

### GIFTS TO PERSONS SERVING IN PUBLIC CAPACITIES AND CANDIDATES

*S.F. 480*

**AN ACT** relating to things of value given to and received by public employees, officials, members of the general assembly, other persons serving in a public capacity, and candidates, mandating reporting of certain things of value, subjecting violators to penalties, and providing an effective date.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 68B.2, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

#### 68B.2 DEFINITIONS.

When used in this chapter, unless the context otherwise requires:

1. "Compensation" means any money, thing of value, or financial benefit conferred in return for services rendered or to be rendered.
2. "Legislative employee" means a full-time officer or employee of the general assembly but does not include members of the general assembly.
3. "Member of the general assembly" means an individual duly elected to the senate or the house of representatives of the state of Iowa.
4. "Regulatory agency" means the department of agriculture and land stewardship, department of employment services, department of commerce, department of public health, department of public safety, department of education, state board of regents, department of human services, department of revenue and finance, department of inspections and appeals, department of personnel, public employment relations board, department of transportation, civil rights commission, department of public defense, and department of natural resources.
5. "Employee" means a full-time, salaried employee of the state of Iowa and does not include part-time employees or independent contractors. Employee includes but is not limited to all clerical personnel.
6. "Official" means an officer of the state of Iowa receiving a salary or per diem whether elected or appointed or whether serving full-time or part-time. Official includes but is not limited