

Reported Recommending
Ind. Postponed
Passed Senate
Failed to Pass Senate
Passed House
Failed to Pass House

Senate File 213

February 6, 1947
Passed on File.

By ZASTROW, BATESON, ROCKHILL
and FISHBAUGH.

A BILL FOR

An Act to provide for the formation of associations to purchase or build and own residential, business and commercial properties upon a co-operative basis. To provide for articles of co-operation of such associations and to establish the powers, duties and liabilities of the association and the members thereof.

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

1 Section 1. Articles. Any two or more persons of full
2 age, a majority of whom shall be citizens of the state, may
3 organize themselves for the following or similar purposes:
4 Ownership of residential, business or commercial property
5 on a co-operative basis. The organizers shall adopt, and
6 sign and acknowledge the articles of co-operation, stating
7 the name by which the co-operation shall be known, the
8 location of its principal place of business, its business or
9 objects, the number of trustees, directors, managers or
10 other officers to conduct the same, the names thereof for
11 the first year, the time of its annual meeting, and of
12 annual meeting of its trustees, or directors and the manner
13 in which the articles may be amended. Said articles of
14 co-operation shall be filed with the Secretary of State who

15 shall, if he approves the same indorse his approval thereon,
16 record the same, and thereafter forward the same to the
17 county recorder of the county where the principal place of
18 business is to be located, and there it shall be recorded,
19 and upon recording be returned to the co-operation. The
20 said articles shall not be filed by the Secretary of State
21 until a filing fee of \$5.00 is paid, and upon the payment
22 of said fee and the approval of the articles by the
23 Secretary of State, he shall issue to said co-operation a
24 certificate of co-operation as a co-operation not for
25 pecuniary profit.

26 Amendments to the articles may be filed and receive
27 approval as provided herein for articles, and the fee
28 thereof shall be \$5.00 in each instance, and no amendment
29 shall be effective until the same is approved and the fee
30 therefor is paid.

1 Sec. 2. Powers—Duration. Upon filing such articles
2 the persons signing and acknowledging the same and their
3 associates and successors shall become a body co-operative
4 with the name therein stated and shall have power;

5 (a) To have perpetual succession by its name, unless a
6 limited period of duration is stated in its articles of
7 co-operation, or they are sooner dissolved by three-fourths
8 ($3/4$) vote of all the members thereof, or by act of the
9 general assembly or by operations of law.

10 (b) To sue and be sued in its co-operative name.

11 (c) To build and construct apartment houses or dwellings
12 and build and construct buildings for office or commercial
13 purposes.

14 (d) To purchase, take, receive, lease as lessee, take
15 by gift, devise or bequest, or otherwise acquire, and to own,
16 hold, use and otherwise deal in and with any real or personal
17 property or any interest therein.

18 (e) To sell, convey, mortgage, pledge, lease as lessor,
19 and otherwise dispose of all or any part of its property and
20 assets.

21 (f) To make contracts and incur liabilities which may
22 be appropriate to enable it to accomplish any or all of its
23 purposes; to borrow money for its co-operative purposes at
24 such rates of interest as the co-operation may determine, to
25 issue its notes, bonds and other obligations; and to secure
26 any of its obligations by mortgage, pledge, or deed of trust
27 of all or any of its property.

28 (g) To elect or appoint officers and agents of the
29 co-operation, and to define their duties and fix their
30 compensation.

31 (h) To make and alter by-laws not inconsistent with
32 its articles of co-operation or with the laws of this state,
33 for the administration and the regulation of the affairs of
34 the co-operation.

35 (i) To cease its co-operate activities and surrender
36 its co-operate franchise.

37 (j) To have and exercise all powers necessary or
38 convenient to effect any or all of the purposes for which the
39 co-operation is organized.

1 Sec. 3. Members. A co-operation may have one or more
2 classes of members. The designation of such class or classes
3 and the qualifications and rights of the members of each class
4 shall be set forth in the articles of co-operation or the
5 by-laws. The co-operation must issue certificates or deeds
6 evidencing membership or ownership of a particular interest
7 therein.

1 Sec. 4. Dividends. No dividend or distribution of
2 property among the stockholders shall be made until
3 dissolution of the co-operation.

1 Sec. 5. Trustees or managers. Such co-operation
2 may, annually or oftener, elect from its members its trustees,
3 directors, or managers, at such time and place and in such
4 manner as may be specified in its by-laws, or article of
5 co-operation, who shall have the control and management of
6 its affairs and funds, a majority of whom shall constitute
7 a quorum for the transaction of business, when a vacancy
8 occurs in its governing body, it shall be filled in such
9 manner as shall be provided in the by-laws, or articles of
10 co-operation.

11 The trustee may be one or more persons, or may be a
12 corporation and need not be a member.

1 Sec. 6. Election of officers. If an election of

2 trustees, directors or managers shall not be made on the
3 day designated by the by-laws, the society for that cause
4 shall not be dissolved, but such election may take place
5 on any other day directed in the by-laws.

1 Sec. 7. Re-organizing prior to expiration of term. The
2 trustees, directors, or members of any co-operation
3 organized under this chapter may reorganize the same, and
4 all the property and rights thereof shall vest in the
5 co-operation as reorganized.

1 Sec. 8. Re-organizing after expiration of term.
2 When the term of a co-operation organized under this chapter
3 has expired, but the organization has continued to act
4 as such co-operation, the directors or members thereof may
5 reorganize, and the property and rights therein shall
6 vest in the reorganized co-operation for the use and
7 benefit of all of the members in the original co-operation.

1 Sec. 9. Amendments of articles. Any co-operation
2 organized under this chapter may change its name or amend
3 its articles of co-operation by a vote of a majority of the
4 members, in such manner as may be provided in its articles;
5 but if no such provision is made in the articles the same
6 may be amended at any regular meeting or special meeting
7 called for that purpose by the president or secretary or a
8 majority of the board of directors. Notice of any meeting
9 at which it is proposed to amend the articles of co-operation,
10 shall be given by mailing to each member at his last

11 known post-office address at least ten days prior to such
12 meeting, a notice signed by the secretary setting forth the
13 proposed amendments in substance, or by two publications
14 of said notice in some daily or weekly newspaper in general
15 circulation in the county wherein said co-operation has its
16 principal place of business. The last publication of said
17 notice shall be not less than ten days prior to the date
18 of said meeting.

1 Sec. 10. Record—Effect. The change or amendment
2 provided for in section nine (9) shall be recorded as the
3 original articles are recorded. From the date of filing
4 such change or amendment for record, the provisions of the
5 previous section having been complied with, the change
6 or amendment shall take effect as a part of the original
7 articles, and the co-operation thus constituted shall
8 have the same rights, powers and franchises, be entitled
9 to the same immunities, and liable upon all contracts to
10 the same extent, as before such change or amendment.

1 Sec. 11. The co-operative association shall have
2 the right to purchase real estate for the purpose of
3 erecting apartment houses or apartment buildings or
4 commercial buildings and the members shall be
5 thereof. The interest of each individual member shall be
6 evidenced by the issuance of a certificate of ownership
7 or deed to a particular apartment or room therein. Such
8 certificate of ownership or deed shall be executed by

9 the president of the co-operation and attested by its
10 secretary in the name and in the behalf of the co-operation.

1 Sec. 12. The title to the real estate upon which
2 the apartment or other buildings is constructed shall be
3 conveyed to the trustees who shall hold the said title for
4 the use and benefit of the owners of such apartments
5 or rooms.

1 Sec. 13. Sale and incumbrance of the premises.
2 Neither the premises nor the real estate shall be sold by the
3 trustees unless a three-fourths ($3/4$) majority of the
4 owners and the board of directors authorize such sale. No
5 mortgage shall be given by the trustees unless such mortgage
6 is authorized by a resolution of three-fourths ($3/4$) of
7 the owners and the board of directors of the apartments or
8 rooms in said building, and no such mortgage shall be
9 given unless it is given for the purchase of, or repair
10 and maintenance of, such building. Any mortgage executed
11 by the trustees as above provided shall be prior and
12 superior to any mortgage, lien or incumbrance of any
13 individual against any individual apartment or room or
14 the owners interest therein.

1 Sec. 14. Taxation. The real estate shall be
2 taxed in the name of the co-operation, and each person
3 owning an apartment or room shall pay his proportionate
4 share of such tax, and each person owning an apartment
5 as a residence and under the qualifications of the laws

6 of the state of Iowa as such shall receive his
7 proportionate Homestead Tax credit and each veteran of
8 the military services of the United States identified as
9 such under the laws of the state of Iowa or the United
10 States shall receive as a credit his veterans tax benefit
11 as prescribed by the laws of the state of Iowa, and as
12 amended.

1 Sec. 15. The members of the co-operation may
2 adopt house rules and by-laws governing the regulation of
3 the premises generally and may adopt rules and regulations
4 as to the maintenance of the individual apartments or rooms
5 as to whether or not said apartments or rooms;

6 (a) Shall be used exclusively as a residence.

7 (b) As to the sale and lease of the individual
8 apartments or rooms.

9 (c) As to the payment of all public services rendered
10 to the apartments or rooms.

11 (d) As to any other item or regulation concerning or
12 pertaining to the building, constructing, repair or regulation
13 of the premises or its occupants.

14 The members of the co-operation may, by agreement,
15 contract among themselves as to any regulations, house rules,
16 repairs of premises, addition, construction or any other thing
17 in the conducting of the affairs of the co-operation, but
18 such agreement shall not be binding upon innocent purchasers
19 or incumbrances unless it be recorded in the office of the

20 county recorder in the county in which the co-operation is
21 organized.

1 Sec. 16. Board of Directors. Unless otherwise
2 provided in the agreement, it shall be the duty of the
3 board of directors to maintain generally the building and
4 the grounds. They shall keep in repair as far as practical,
5 the outside wall, stairways, roof, halls, and the structure
6 of the building, and the cost thereof shall be contributed
7 to by each of the apartment owners in proportion as their
8 interest appears. And any default in payment thereof by
9 any owner of any apartment may be assessed against such
10 apartment by the board of directors and such apartment shall
11 be liable therefor. The said sums so unpaid shall be a
12 lien against the said apartment, but shall not be a personal
13 liability of the apartment owners, and shall be prior to
14 any existing lien against the owner but shall be subsequent
15 to any lien placed thereon by the trustee, and upon
16 nonpayment upon demand may be enforced as a mortgage against
17 said apartment by the co-operation.

1 Sec. 17. The members of the co-operative may contract
2 among themselves with reference to all public service
3 requirements, including heat, light and water supplies, of
4 said building, and unless otherwise provided in the agreement
5 it shall be the duty of the board of directors to
6 furnish such public service requirements and the cost thereof
7 shall be divided proportionately among the apartment owners,

8 and upon nonpayment upon demand, may be enforced as
9 provided by section 16 hereof.

10 In the event that the heating plant and the water
11 supply of such apartment is a general heating plant, then
12 the board of directors may furnish fuel and water to said
13 premises, and each apartment without discrimination, and
14 the cost thereof shall be paid by the several apartment
15 owners in proportion to their interest.

1 Sec. 18. Homestead. The ownership of an individual
2 apartment shall constitute a homestead and be exempt
3 from execution, provided the owner otherwise qualifies
4 within the laws of the state of Iowa for such exemption.

1 Sec. 19. Election of Directors. The directors
2 authorized under this chapter shall be elected by the
3 members of the co-operation. If one member owns more than
4 one apartment he may nevertheless have but one vote at
5 such election. If any apartment or room is owned by
6 more than one member they may, nevertheless, have but one
7 vote at such election. The election of officers shall be
8 made by the board of directors. The officers and board of
9 directors may hire a custodian or jaintor for reasonable
10 compensation to generally serve and oversee the apartment
11 building. The annual election of the directors shall
12 be held during the month of January of each year, and
13 they shall serve until their successors are elected and
14 qualified.

15 The board of directors shall elect as officers, a
16 president and a secretary.

17 It shall be the duty of the secretary to keep the
18 records of the co-operation, a correct list of the owners
19 and lessees of each apartment, and all such records shall
20 be submitted to any apartment or room owner upon demand
21 at any reasonable time.

1 Sec. 20. This act shall be known and cited as
2 "The Multiple Housing Act of 1947."

1 Sec. 21. This act being deemed of immediate
2 importance, shall be in full force and effect from and
3 after its passage and publication in,
4 a newspaper published at, Iowa,
5 and the, a newspaper published
6 at, Iowa.