

January 10, 1951.
Passed on File.

Senate File 5
By MERCER, BERG and TUDOR.

Passed Senate, Date.....

Vote: Ayes..... Nays.....

Passed House, Date

Vote: Ayes..... Nays.....

Approved

A BILL FOR

An Act relating to the issuance of stock and the payment therefor of certain corporations.

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

1 Section 1. Anything contained in Chapters four
2 hundred ninety-one (491), four hundred ninety-two (492),
3 five hundred one (501), and five hundred two (502), Code
4 1950, to the contrary notwithstanding, any corporation
5 organized under the laws of the State of Iowa having
6 assets of the value of one million dollars (\$1,000,000)
7 or more, the articles of the corporation of which
8 provide that no individual may vote more than one share
9 of the common voting shares of stock of said corporation,
10 the articles of incorporation of which give to children
11 of the owner or owners of shares of the common voting stock
12 of such corporations the right to purchase one common
13 voting share of stock therein upon attaining majority
14 or within a fixed period thereafter, and the articles of
15 incorporation of which whether now in effect or hereafter
16 adopted, authorize the issuance, sale and delivery of

17 not to exceed one share of said common voting stock
18 to any one individual, shall have the power to issue,
19 sell and deliver its shares of common voting stock,
20 whether held by it as treasury stock or whether issued
21 as an original issue, for the following considerations
22 and upon the following terms and conditions, and
23 with the following limitations.

24 1. Such common voting stock may be issued, sold
25 and delivered by the corporation either for cash or
26 upon credit or time payments or installment payments
27 or for a consideration evidenced in part or in whole
28 by the written agreement of the purchaser thereof to
29 pay for the same, payment of said purchase price to be
30 secured by a lien on said stock.

31 2. No such stock shall be issued, sold and
32 delivered for a price less than the par value thereof
33 at the time of such issuance, sale and delivery.

34 3. Not more than one share of said stock shall
35 be so issued, sold and delivered to any one individual,
36 but when issued, sold and delivered, said stock may
37 be voted by the owner thereof, if the articles of
38 incorporation or by-laws of such corporation, whether
39 now in effect or hereafter adopted or amended, so
40 provide, although a part or all of the price to be
41 paid therefor may be owing to the corporation under
42 said written agreement of the purchaser to pay for

43 the same.

1 Sec. 2. This Act, being deemed of immediate
2 importance, shall be in full force and effect from
3 and after its publication in Iowa City Press Citizen,
4 a newspaper published at Iowa City, Iowa,
5 and in The Pioneer Republican, a newspaper
6 published at Marengo, Iowa.