

January 25, 1963.
Agriculture 2.

House File 78

By DEN HERDER, HAGEN, HANSON of Mitchell,
PARKER, BRILES, PAUL, OLSON, STANLEY,
LANGE and MUELLER.

Passed House, Date 2-19-63 Passed Senate, Date 2-25-63
Vote: Ayes 97 Nays 7 Vote: Ayes 46 Nays 2
Approved 3-4-63

*Substituted for
Senate File 32*

A BILL FOR

An Act relating to the distribution of earnings of co-
operative associations organized under chapter four hundred
ninety-nine (499) of the Code.

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

- 1 Section 1. Section four hundred ninety-nine point thirty
- 2 (499.30), Code 1962, is amended by striking all of the last
- 3 paragraph and inserting in lieu thereof the following:
- 4 Notwithstanding the articles of incorporation of any
- 5 association now in effect, for each taxable year of the
- 6 association beginning after December 31, 1962, all remaining
- 7 net earnings shall be allocated to the account of each member,
- 8 including subscribers described in section four hundred ninety-
- 9 nine point sixteen (499.16) ratably in proportion to the
- 10 business he had done with the association during such year.
- 11 The directors shall determine the amount of said allocation
- 12 that currently shall be paid in cash, provided that so long
- 13 as there are unpaid deferred patronage dividends for prior
- 14 years the amount currently payable in cash shall not exceed
- 15 twenty percent of said allocation. All said remaining alloca-
- 16 tion not so paid in cash shall be transferred to a revolving
- 17 fund and credited to said members and subscribers. Such
- 18 credits in the revolving fund are herein referred to as
- 19 deferred patronage dividends.

EXPLANATION OF HOUSE FILE 78

This bill would permit cooperatives to pay 20 percent in cash while insuring the continuance of the patronage revolving fund and said rule of priority.

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- 1 Amend House File 78 as follows:
 - 2 1. Strike the word "Section" in line eight (8) of
 - 3 section one (1) and insert in lieu thereof the word "section".
 - 4 2. Add the words "of the Code" before the word
 - 5 "ratably" in line nine (9) of section one (1).
 - 6 3. Amend the title by striking the words "of the
 - 7 Code." from line two (2) and by inserting in lieu thereof
 - 8 the words ", Code 1962."

Filed
February 14, 1963.

Adopted
2/19
DEN HERDER of Sioux.

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- 1 Amend House File 78 by inserting the following
 - 2 in line eleven (11) after the word "determine";
 - 3 ", or the articles of incorporation or by-laws
 - 4 of the association may specify, the percentage or".

Filed and adopted
February 19, 1963.

STANLEY of Muscatine.