

STATE OF OKLAHOMA

2nd Session of the 47th Legislature (2000)

SENATE BILL 841

By: Capps

AS INTRODUCED

An Act relating to agriculture; amending 2 O.S. 1991, Sections 361b, 361j and 361k, which relate to the Cooperative Marketing Association Act; making language gender neutral; modifying definition; modifying membership rights; providing for establishment of a policy of maintaining certain certificates; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 2 O.S. 1991, Section 361b, is amended to read as follows:

Section 361b. A. As used in ~~this act~~ the Cooperative Marketing Association Act, unless the context or subject matter requires otherwise;

~~(a)~~ 1. The term "agricultural products" shall include horticultural, viticultural, nut, dairy, livestock, poultry, bee and any other farm products.

~~(b)~~ 2. The term "member" means in addition to those admitted to membership in an association without capital stock, holders of common stock in associations organized with capital stock.

~~(c)~~ 3. The term "association" means any corporation organized under this act or any similar corporation organized under any general or special act of this or any other state as a cooperative association, for the mutual benefit of its members, as agricultural producers, in which the return on the stock or membership capital is limited to an amount not to exceed eight percent (8%) per annum, and which during any fiscal year does not deal with nonmembers' products to an amount greater in value than members' products.

~~(d)~~ 4. The term "person" shall include: individuals, partnerships, firms, corporations, ~~and~~ associations, trusts, estates, limited liability companies and any other legal entity recognized to do business in this state.

~~(e)~~ B. Associations organized hereunder shall be deemed nonprofit, inasmuch as they are not organized to make profit for themselves as such, nor for their members, as such, but only for their members as producers or users of products purchased.

SECTION 2. AMENDATORY 2 O.S. 1991, Section 361j, is amended to read as follows:

Section 361j. ~~(a)~~ A. Under the terms and conditions prescribed in the bylaws adopted by it, an association may admit as members, or issue common stock to only cooperative associations and/or persons engaged in the production of agricultural products to be handled by or through the association, including the lessees and tenants of land used for the production of such products and any lessors and landlords who receive as rent all or part of the crop raised on the leased premises. An association organized hereunder may become a member or stockholder of any other cooperative association organized in this or any other state.

~~(b)~~ B. A member shall lose ~~his~~ membership and voting rights if ~~he~~ the member ceases to belong to the class of persons eligible for membership under this section, but ~~he~~ the member shall remain subject to any liability already incurred by ~~him~~ the member as a member of the association ~~and shall be entitled to receive from the association within three (3) years after his ceasing to be a member the value of his membership interest in the association subject to the conclusive appraisal by the board of directors.~~ If the association shall approve the member's designation of a transferee of ~~his~~ the membership interest the association shall be under no obligation to pay the transferor the value of this interest.

~~(e)~~ C. Except for debts lawfully contracted between ~~him~~ the member and the association no member shall be liable for the debts of the association to any amount exceeding the sum remaining unpaid on ~~his~~ the member's subscription to membership.

SECTION 3. AMENDATORY 2 O.S. 1991, Section 361k, is amended to read as follows:

Section 361k. ~~(a)~~ A. When a member of an association has paid ~~his~~ the membership fee or stock subscription in full ~~he shall receive, as the case may be,~~ the association shall issue a certificate of membership or a stock certificate to the member. The association may establish a policy of maintaining possession of the original certificates.

~~(b)~~ B. No association shall issue membership certificates or stock until they have been fully paid for, but an association in its bylaws may admit a member and allow ~~him~~ the member to vote and hold office as soon as twenty percent (20%) of ~~his~~ the member's membership fee or ~~his~~ stock certificate has been paid.

~~(e)~~ C. Ownership of common stock, certificates of indebtedness, or membership certificates may be transferred by a member only to other associations or to persons engaged in the production of agricultural products, and who are eligible to hold same. Such transfer must be approved by the board of directors before it is binding on the association.

~~(d)~~ D. An association may issue and sell preferred stock to members or nonmembers. Preferred stock may be redeemable or retirable by the association on such terms and conditions as may be provided by the bylaws and printed on the stock certificate. Preferred stockholders shall not be entitled to vote. Whenever an association organized hereunder with preferred stock shall purchase the stock or any interest in any property of any person it may discharge the obligation so incurred wholly or in part by exchanging for the acquired interest shares of its preferred stock to an amount

which would equal the fair market value of the stock or interest so purchased as determined by the board of directors.

SECTION 4. This act shall become effective November 1, 2000.

47-2-1992

JT

6/12/2015 1:55:25 AM