

STATE OF OKLAHOMA

1st Session of the 48th Legislature (2001)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1330

By: Covey

COMMITTEE SUBSTITUTE

An Act relating to agriculture; amending 2 O.S. 1991, Sections 361, 361a, 361b, 361c, 361d, 361e, 361f, 361g, 361h, 361i, 361j, 361k, 361 l, 361m, 361n, 361o, 361p, 361q, 361r, 361s, 361t, 361u, 361v and 361w, which relate to the Cooperative Marketing Association Act; clarifying and updating language; modifying and adding terms; providing for loss of membership and voting rights; providing for right to certain value of membership interest; providing for contents of Articles of Incorporation or bylaws relating to voting; providing for issuance of a certificate of membership or a stock certificate; providing for custody of certain certificates; providing for loss of membership and providing procedures; providing for recodification; repealing 2 O.S. 1991, Sections 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353 and 354, which relate to Cooperative Agricultural and Horticultural Associations; and providing an effective date.

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

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

Section 361. This act shall be known and may be cited as the "Cooperative Marketing Association Act".

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

Section 361a. ~~In order~~ The purpose of the Cooperative Marketing Association Act is to promote, foster, and encourage the intelligent handling, processing, and orderly marketing of agricultural products and the organization and incorporation of cooperative marketing associations of agricultural producers, ~~this act is passed.~~ It is

the declared policy of this state that ~~this act~~ the Cooperative Marketing Association Act be liberally construed.

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

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

~~(a) The term "agricultural~~ the Cooperative Marketing Association Act:

1. "Agricultural products" shall include includes horticultural, viticultural, nut, dairy, livestock, poultry, bee, and any other farm products-;

~~(b) The term "member~~ 2. "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) The term "association~~ 3. "Association" means any corporation organized ~~under this act~~ pursuant to the Cooperative Marketing Association 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-; and

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

~~(e) B.~~ Associations organized ~~hereunder~~ pursuant to the Cooperative Marketing Association Act 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 4. AMENDATORY 2 O.S. 1991, Section 361c, is amended to read as follows:

Section 361c. Five or more natural persons of full age, engaged in the production of agricultural products either as tenants or landlords, who are residents of this state or any other, or two or more cooperative associations, organized under the laws of this state or any other, may form a nonprofit cooperative association with or without capital stock, ~~under~~ pursuant to the provisions of ~~this act~~ the Cooperative Marketing Association Act.

SECTION 5. AMENDATORY 2 O.S. 1991, Section 361d, is amended to read as follows:

Section 361d. An association may be organized ~~under this act~~ pursuant to the Cooperative Marketing Association Act to engage in any activity in connection with ~~the~~ the:

1. The marketing or selling of agricultural products, ~~or with the~~;

2. The harvesting, preserving, drying, processing, blending, canning, packing, grading, storing, warehousing, handling, shipping, or utilizing ~~such~~ of agricultural products; ~~or in connection with the~~

3. The manufacturing, marketing, selling or supplying of the byproducts thereof ~~or the~~;

4. The manufacturing, selling, or supplying of machinery, equipment, feed, fertilizer, seeds, or buying and selling oil, gasoline, or other supplies; ~~or in the~~

5. The financing of any of the ~~above~~ enumerated activities ~~or in~~ specified by this section;

6. The performing or furnishing business or educational services on a cooperative basis for those engaged in agriculture as bona fide producers of agricultural products; ~~or in any~~

7. Any one or more of the activities specified herein in this section.

SECTION 6. AMENDATORY 2 O.S. 1991, Section 361e, is amended to read as follows:

Section 361e. Each association incorporated ~~under this act~~ pursuant to the Cooperative Marketing Association Act shall have the ~~following powers~~ power to:

~~(a) To act~~ 1. Act as an agency for or subsidiary of or to assist cooperative associations formed ~~under this act~~ pursuant to the Cooperative Marketing Association Act or similar acts in any ~~one or more~~ of the ~~above mentioned~~ activities; authorized in Section 17-5 of this title and to act as a holding corporation of the properties of ~~such the~~ associations;

~~(b) To make~~ 2. Make all necessary and proper contracts and agreements with any other association formed in this or any other state, or in connection with any other association in this or any other state, or unite in employing and using, or separately to employ and use the same methods, means, and agencies which may be used by another association for carrying on and conducting the respective businesses of ~~such the~~ associations;

~~(c) To act~~ 3. Act as the agent or representative of any member or members in any lawful activity;

~~(d) To make~~ 4. Make loans or advances to members or producer patrons or to the members of an association which is itself a member; ~~to accept~~

5. Accept any kind, form, or type of obligation or security, therefore to purchase, endorse, discount, or sell any note, draft, bill of exchange, debenture, bill of sale, mortgage, or other obligations acquired by it, the proceeds of which have been advanced or used in the first instance for any of the purposes provided for ~~herein~~ in the Cooperative Marketing Association Act; ~~to discount for~~ or purchase from any association, organized under the laws of any

state with or without its endorsement, any note, draft, bill of exchange, debenture, bill of sale, mortgage, or other obligation the proceeds of which are advanced or used in the first instance for carrying on any cooperative activity authorized ~~under this act~~ pursuant to the Cooperative Marketing Association Act and to dispose of same with or without endorsement. An association organized ~~under this act~~ pursuant to the Cooperative Marketing Association Act and exercising any of the powers provided in this paragraph shall not engage in the business of banking-;

~~(e) To establish~~ 6. Establish and accumulate reserves including a permanent surplus fund as an addition to capital; ~~to~~ invest the reserves either directly or by means of subsidiary or affiliated associations or other corporations in real estate or other property for carrying out the purpose of the association, provided no real property investments shall be made except for the purpose of leasing or acquiring title to real property necessary for use in the conduct of the primary business of the association, or the reserves may be deposited or invested in ~~such~~ securities as the bylaws may provide-;

~~(f) To purchase~~ 7. Purchase or ~~otherwise~~ acquire, hold, own, and exercise all rights of ownership in, and to sell, transfer, pledge or guarantee the payment of dividends or interest on, or the retirement or redemption of, shares of capital stock, bonds, or other obligations of any corporation or association, engaged in any directly or indirectly related activity, or in the production, warehousing, handling, or marketing of any of the products handled by the association-;

~~(g) To buy~~ 8. Buy, hold, and exercise all privileges of ownership over ~~such~~ real or personal property, as may be necessary or convenient for the conduct and operation of any of the business of the association, or incidental thereto-;

~~(h) To borrow~~ 9. Borrow money from any source without limitation as to amount of corporate indebtedness or liability, with authority to give any form of obligation or security therefor;i

~~(i) To establish~~ 10. Establish and secure, own and develop patents, trademarks, and copyrights;i

~~(j) To deal~~ 11. Deal in products, handle machinery, equipment, or supplies, or perform services for or on behalf of nonmembers to an amount not greater in value during any fiscal year than ~~such as~~ are dealt in, handled, or performed by it for, or on behalf of its members during the same period;i

~~(k) To do~~ 12. Do each and everything necessary, suitable, or proper for the accomplishment of any one of the purposes, or the attainment of any one or more of the subjects ~~herein~~ enumerated and authorized by the Cooperative Marketing Association Act, or conducive to or expedient for the interest or benefit of the association, and to contract accordingly; and ~~in addition, to~~ exercise

13. Exercise and possess all powers, rights, and privileges necessary or incidental to the purposes for which the association is organized, or the activities in which it is engaged; and ~~in addition~~ any other rights, powers, and privileges granted by the laws of this state to ordinary business corporations, except ~~such as~~ are inconsistent with the express provisions of ~~this act; and to do any such thing anywhere~~ the Cooperative Marketing Association Act.

SECTION 7. AMENDATORY 2 O.S. 1991, Section 361f, is amended to read as follows:

Section 361f. A. The incorporators of an association to be formed ~~under this act~~ pursuant to the Cooperative Marketing Association Act must prepare and file Articles of Incorporation setting forth:

~~(a) 1.~~ 1. The name of the association which may or may not include the word "cooperative";

~~(b)~~ 2. Its purposes;

~~(c)~~ 3. Its duration;

~~(d)~~ 4. Its principal place of business in the state;

~~(e)~~ 5. The name and post office address of each of the incorporators;

~~(f)~~ 6. The names and addresses of those who are to serve as incorporating directors for the first term, or until the election and qualifications of their successors;

~~(g)~~ 7. If organized without capital stock, whether the property rights and interests of each member are to be equal or unequal; ~~if.~~ If unequal, the Articles of Incorporation shall include the general rule applicable to all members by which the property rights and interests respectively of each member shall be determined; ~~and~~ provision for the admission of new members who shall share in the property of the association in accordance with ~~such~~ the general rule; and

~~(h)~~ 8. If organized with capital stock, the amount of ~~such~~ the stock and the number of shares into which the capital stock is to be divided; whether all or part of the capital stock shall have par value, and if so, the par value thereof; ~~and if.~~ If there is to be more than one class of stock created, the Articles of Incorporation shall include a description of the different classes, the number of shares in each class, the relative rights, interests, and preferences each class shall represent, and the dividends, which may be cumulative, not exceeding eight percent (8%) per annum, to which each share shall be entitled; .

~~(i)~~ ~~In addition to the foregoing, the~~ B. The Articles of Incorporation may contain any provision consistent with law with respect to management, regulation, government, financing, indebtedness, membership, the establishment of voting districts, and the election of delegates for representative purposes, the issuance, retirement and transfer of its stock, if formed with capital stock,

or any provision relative to the way or manner in which it shall operate with respect to its members, officers, or directors, and any other provisions relating to its affairs.

C. The Articles of Incorporation must be subscribed by the incorporators and acknowledged by one of them before an officer authorized by the law of this state to take and certify acknowledgments of deeds and conveyances and shall be filed with the Oklahoma Secretary of State ~~of this state~~. When ~~so~~ filed, ~~said the~~ Articles of Incorporation, or certified copies ~~thereof~~ of the Articles of Incorporation, shall be received in all courts of this state as prima facie evidence of the facts contained therein and of the due incorporation of ~~such~~ the association.

SECTION 8. AMENDATORY 2 O.S. 1991, Section 361g, is amended to read as follows:

Section 361g. The Articles of Incorporation ~~(in triplicate)~~ shall be filed in triplicate with the Secretary of State. For filing the Articles of Incorporation, an association shall pay to the Secretary of State a fee of Twenty-five Dollars (\$25.00) and for filing an amendment to the Articles, a fee of Fifteen Dollars (\$15.00).

SECTION 9. AMENDATORY 2 O.S. 1991, Section 361h, is amended to read as follows:

Section 361h. A. The Articles of Incorporation may be ~~altered~~ ~~or~~ amended at any regular meeting or any special meeting called for that purpose. An amendment must first be approved by two-thirds (2/3) of the directors, and then adopted by a two-thirds (2/3) vote ~~representing two-thirds~~ of all members present at ~~such~~ the meeting.

B. Amendments to the Articles of Incorporation when adopted shall be filed in the same manner as provided for the filing of the original Articles.

SECTION 10. AMENDATORY 2 O.S. 1991, Section 361i, is amended to read as follows:

Section 361i. A. Each association incorporated ~~under this act~~ pursuant to the Cooperative Marketing Association Act shall adopt bylaws consistent with ~~this act,~~ the Cooperative Marketing Association Act within thirty (30) days after its incorporation. A majority of the members voting ~~thereon~~ on the bylaws is necessary to adopt ~~such~~ the bylaws. Each shareholder or member shall be entitled to one vote, and no more, irrespective of the number of shares owned or patronage.

B. The bylaws shall provide for their amendment by the members and the method by which amendments may be adopted. The ~~following matters among others may be covered in the~~ bylaws may include but are not limited to:

~~(a)~~ 1. The time, place, and manner of calling and conducting its meetings, which meetings, and the meetings of its directors, may be held either ~~within~~ in or ~~without~~ outside the state;

~~(b)~~ 2. The number of members constituting a quorum;

~~(c)~~ 3. The right of members to vote in person, by proxy, or by mail at general or special meetings; and the conditions, manner, form, and effects of ~~such~~ these votes;

~~(d)~~ 4. The number of directors constituting a quorum;

~~(e)~~ 5. The number, qualifications, compensation, duties, and term of office of directors and officers; the time of their election and the mode and manner of giving notice thereof;

~~(f)~~ 6. Penalties for violations of bylaws;

~~(g)~~ 7. The amount of entrance, organization, and membership fees, if any; the manner and method of collection of the ~~same~~ fees, and the purposes for which ~~they~~ the fees may be used;

~~(h)~~ 8. The amount which each member shall be required to pay annually or from time to time, if at all, to carry on the business of the association; the charge, if any, to be paid by each member for services rendered by the association to ~~him~~ such member and the time of payment and the manner of collection; and marketing contract

between the association and its members which every member may be required to sign; and

~~(i)~~ 9. The number, qualification, and voting rights of members of the association and the conditions precedent to membership; the method, time, and manner of permitting members to withdraw or to transfer their stock; the manner of assignment and transfer of the interest of members; the mode, manner, and effect of the expulsion of a member; the manner of determining the value of a member's interest and provision for its purchase by the association upon the death or withdrawal of a member or upon the expulsion of a member or forfeiture of ~~his~~ membership.

SECTION 11. 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~~ agricultural products and any lessors and landlords who receive as rent all or part of the crop raised on the leased premises.

B. An association organized ~~hereunder~~ pursuant to the Cooperative Marketing Association Act may become a member or stockholder of any other cooperative association organized in this or any other state.

~~(b)~~ C. 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~~ pursuant to this section, but he however, such member shall remain subject to any liability already incurred by ~~him~~ such member as a member of the association ~~and.~~ Upon the death of a member and the deceased member's estate ceasing to belong to the class of persons eligible for membership pursuant to this section,

the deceased member's estate shall be entitled to receive from the association, within three (3) years after his the latter of the member's death or the member ceasing to be a member, the value of his the membership interest in the association subject to the conclusive appraisal by the board of directors. If the association ~~shall approve~~ approves 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 the~~ interest.

~~(e)~~ D. Except for debts lawfully contracted between ~~him a~~ 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 subscription to membership of the member.

SECTION 12. 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, a certificate of membership or a stock certificate, the association shall issue a certificate of membership or a stock certificate to the member. The association may establish a policy of maintaining physical 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 membership fee or his stock certificate has been paid.

~~(c)~~ 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~~ The transfer must be approved by the board of directors before it is binding on the association.

~~(d)~~ D. 1. 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.

2. Whenever an association organized ~~hereunder~~ pursuant to the Cooperative Marketing Association Act 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 13. AMENDATORY 2 O.S. 1991, Section 361 1, is amended to read as follows:

Section 361 1. ~~(a) Financial Statements.~~ A. At the time of each dividend apportionment of earnings and at least once in every year, the directors shall cause to be prepared a financial statement showing ~~the~~:

1. The financial condition of the corporation at the end of the period to which such dividend or apportionment relates, in ~~such~~ on a form as shall fully exhibit the assets and liabilities of the corporation; ~~its~~ and

2. Its earnings, purchases and sales, expenses and outlays, for the period covered by ~~such~~ the dividend or apportionment, in ~~such~~ the manner that a good understanding of the condition of the corporation may be obtained from ~~such~~ the financial statement, ~~and.~~ The directors shall cause ~~such~~ the financial statement to be kept on file with the secretary, or such other officer as the directors may designate, ~~where the same.~~ The financial statement may be examined by any member of the corporation at all reasonable times.

~~(b) Dividends and Earnings.~~ B. The directors, subject to the revision by the members or stockholders, at any general or special

meeting lawfully called shall apportion the net earnings ~~thereof~~ from time to time at least once in each year.

~~(c)~~ C. An association shall limit the interest it pays on membership capital or stock to an amount not greater than eight percent (8%) per annum. ~~Such~~ The apportionment shall not be made until not less than ten percent (10%) of any undistributed balance accruing since the last apportionment, has been set aside in a surplus or reserve fund unless such surplus or reserve funds equal at least one hundred percent (100%) of the paid up membership fees or capital stock.

~~(d)~~ D. 1. Undistributed balances from any source, in excess of additions to reserves and surplus, shall be distributed on the basis of patronage, that is according to the amount or value, as the association may decide, of the products sold to or through, and/or purchased from or through, the association by its patrons.

2. The distribution of ~~such~~ the balances may be restricted to members or be made at the same rate for members and nonmembers.

3. The bylaws may provide that any distribution to a nonmember, eligible for membership may be credited to ~~such~~ a nonmember until the amount ~~thereof~~ equals the value of a membership certificate or a share of the association's common stock.

4. ~~Such a~~ A distribution credited to the account of a nonmember shall revert to the reserve fund to be used for educational purposes if, after two (2) years, the amount is less than the value of a membership certificate or a share of common stock, or in case ~~said~~ the person does not accept and exercise ~~his~~ membership privileges.

SECTION 14. AMENDATORY 2 O.S. 1991, Section 361m, is amended to read as follows:

Section 361m. A. 1. One or more regular meetings shall be held annually in such places, ~~as the by-laws~~ bylaws may stipulate.

2. The board of directors ~~shall have the right to~~ may call a special meeting at any time; ~~and.~~

3. If ten percent (10%) of the members may file a petition stating the specific business to be brought before the association and demand a special meeting at any time. ~~Such,~~ a meeting must ~~thereupon~~ be called by the directors.

B. Notice of all meetings, together with a statement of the purposes thereof, shall be mailed to each member at least ten (10) days prior to the meeting, ~~or if.~~ If provided by the ~~by-laws~~ bylaws, all notices may be given by publication in a ~~house-organ~~ newspaper, or other periodical of general circulation among the members.

SECTION 15. AMENDATORY 2 O.S. 1991, Section 361n, is amended to read as follows:

Section 361n. A. The ~~affairs of the~~ association shall be managed by a board of not less than five or more than twenty-one directors ~~to be~~ elected by the members ~~with such qualifications of~~ the association. The directors shall be qualified as may be provided for in the Articles of Incorporation or bylaws.

B. All of the directors shall be members of the association or officers, directors, or members of member association.

SECTION 16. AMENDATORY 2 O.S. 1991, Section 361o, is amended to read as follows:

Section 361o. A. The officers of ~~every such~~ each association established pursuant to the Cooperative Marketing Association Act shall be a president, one or more vice-presidents, a secretary and a treasurer and ~~such~~ other officers as may be authorized in the bylaws.

B. The president and at least one of the vice-presidents must be directors of the association, unless the bylaws of the association provide to the contrary.

C. The office of secretary and treasurer may be combined.

D. Officers shall be elected by the directors in the manner and for ~~such~~ terms as provided by the bylaws ~~provide~~.

SECTION 17. AMENDATORY 2 O.S. 1991, Section 361p, is amended to read as follows:

Section 361p. ~~(a)~~ A. 1. Members may be required to execute contracts as a condition of admission to the association, whereby the members agree to:

a. patronize the facilities created by the association,

~~to~~

b. sell all or a specified part of their products to or

through, or ~~to~~

c. buy all or a specified part of their supplies from or

through, the association or any facilities created by

it.

2. If the members in the association contract a sale to or through the association the fact that for certain purposes the relation between the association and its members may be one of agency shall not prevent the passage from the member to the association of absolute and exclusive title to the products which are the subject matter of the contract. ~~Such~~ The title shall pass to the association upon delivery of the product or at any other specified time which may be expressly and distinctly agreed upon in the contract, subject to previously existing liens.

3. In the case of contracts with members who are natural persons, if the period of the contract exceeds three (3) years, the contracts executed thereunder shall specify a reasonable period in each year during which the member by giving to the association ~~such~~ reasonable notice as may be prescribed in the contract may withdraw and be released from ~~his~~ the obligations under the contract, subject to liability already incurred by ~~him~~ the member as a member of the association.

4. In the absence of a provision for notice or withdrawal in the contract a member who is a natural person may withdraw at any time after three (3) years subject to liabilities already incurred.

~~(b)~~ B. 1. The association may cause the original of a contract or an authenticated copy ~~thereof~~ of the contract to be filed in the office of the county clerk of the county in which the products described in the contract, or any part ~~thereof~~ of the contract, are or will at some future time be situated. ~~Such~~ The contracts shall describe the property or services affected, the manner in which they are affected, and the time for which they are affected and shall state the names and residences of the parties to the contract.

2. The fees for filing ~~such~~ the contracts shall be twenty-five cents (\$0.25) for each contract, except that when an association files more than one contract in a county which are substantially the same except for the signature of one of the parties the filing fee shall be twenty-five cents (\$0.25) for the first contract and five cents (\$0.05) for each similar contract.

~~(c)~~ C. Whenever ~~such~~ a contract ~~shall have terminated~~ terminates, the association shall on demand give to the member a certificate to that effect, ~~which~~. The certificate may be filed with the county clerk. The county clerk shall be entitled to the same filing fees ~~under~~ pursuant to this subsection as in the case of chattel mortgages.

SECTION 18. AMENDATORY 2 O.S. 1991, Section 361q, is amended to read as follows:

Section 361q. ~~Any~~ A. By complying with the provisions of this section, any association, organized under pursuant to any previously existing statutes, may elect, by vote of its members as provided in its Articles of Incorporation and bylaws for the amendment of its Articles of Incorporation and bylaws, to be brought under the provisions of ~~this act by complying with the restrictions provided herein~~ the Cooperative Marketing Association Act.

B. A statement, signed and sworn to by its directors to the effect that the corporation or association has ~~decided~~ elected to adopt the benefits and be bound by the provisions of ~~this act~~ the

Cooperative Marketing Association Act and has duly authorized all changes accordingly, shall be filed as required for the filing of an amendment to the Articles of Incorporation.

C. The same fee shall be paid for ~~such~~ filing as for the filing pursuant to this section of an amendment to the Articles of Incorporation.

SECTION 19. AMENDATORY 2 O.S. 1991, Section 361r, is amended to read as follows:

Section 361r. ~~Any~~ A. Except as otherwise provided by this section, any person or persons or any corporation whose:

1. Whose officers or employees knowingly induce, or attempt to induce any member or stockholder of an association organized ~~hereunder~~ pursuant to the Cooperative Marketing Association Act or organized ~~under~~ pursuant to similar statutes of other states and operating in this state under due authority, to breach its marketing contract with the association; ~~or who~~

2. Who maliciously and knowingly spread false reports about the finances, management, or activity ~~thereof~~ of an association, organized pursuant to the Cooperative Marketing Association Act, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not less than One Hundred Dollars (\$100.00) and not more than One Thousand Dollars (\$1,000.00) for each such offense; ~~except that any.~~

B. Any member may present anything relative to the affairs of the association at any annual or special meeting of the members, without being liable under this section.

SECTION 20. AMENDATORY 2 O.S. 1991, Section 361s, is amended to read as follows:

Section 361s. A. Any person, ~~firm or corporation~~ who knowingly solicits or persuades any member of any association organized or operating in this state under due authority to breach ~~his~~ the marketing contract of such member with the association by accepting

or receiving ~~such~~ the member's products for sale or for auction or for display for sale, or for processing or ~~otherwise~~ handling, contrary to the terms of any agreement of which ~~said~~ the person or any active officer or manager of the ~~said~~ corporation had knowledge or notice, shall be liable, to the association aggrieved in a civil action for any actual damages sustained by reason thereof. ~~Such~~

B. The association may, upon proper application in a civil action, obtain a temporary injunction against any violation of the provisions of ~~this act~~ the Cooperative Marketing Association Act, which may be made permanent upon proper proof.

SECTION 21. AMENDATORY 2 O.S. 1991, Section 361t, is amended to read as follows:

Section 361t. ~~(a)~~ A. Any association organized ~~hereunder~~ pursuant to the Cooperative Marketing Association Act and complying with the terms ~~hereof~~ thereof shall be deemed not to ~~be~~:

1. Be a conspiracy nor a combination in restraint of trade nor an illegal monopoly; ~~nor~~

2. Be an attempt to lessen competition or to fix prices arbitrarily; or ~~to create~~

3. Create a combination or pool in violation of any law of this state; ~~and the.~~

B. The contracts and agreements between the association and its members and any agreements authorized in ~~this act~~ the Cooperative Marketing Association Act shall be considered not to be ~~illegal~~:

1. Illegal ~~nor in~~;

2. In restraint of trade ~~nor a~~;

3. A part of a conspiracy or combination to accomplish an improper or illegal purpose, ~~nor contrary~~; or

4. Contrary to the provisions of any statute enacted against pooling or combinations.

~~(b)~~ C. An association organized ~~hereunder~~ pursuant to the Cooperative Marketing Association Act may acquire, exchange,

interpret, and disseminate to its members and others, past, present, and prospective, crop, market, statistical, economic, and other similar information either directly or through an agent created or selected by it or by other associations acting in conjunction with it.

~~(e)~~ D. An association organized ~~hereunder~~ pursuant to the Cooperative Marketing Association Act may advise its members in respect to the adjustment of their current and prospective production consumption, selling prices and existing or potential surpluses to the end that every market may be served from the most convenient productive areas under a program of orderly marketing that will assure supplies without undue enhancement of prices or the accumulation of undue surpluses.

SECTION 22. AMENDATORY 2 O.S. 1991, Section 361u, is amended to read as follows:

Section 361u. The right of an association claiming to be organized and incorporated and carrying on its business ~~under this act~~ pursuant to the Cooperative Marketing Association Act to do and to continue its business, may be inquired into by quo warranto.

SECTION 23. AMENDATORY 2 O.S. 1991, Section 361v, is amended to read as follows:

Section 361v. Each association formed ~~under the provisions hereby~~ pursuant to the provisions of the Cooperative Marketing Association Act shall be subject to and comply with the laws relating to the licensing and tax of other like corporations or associations.

SECTION 24. AMENDATORY 2 O.S. 1991, Section 361w, is amended to read as follows:

Section 361w. The provisions of the general business corporation laws of this state and all powers and rights ~~thereunder~~ pursuant to the general business corporation laws shall apply to the associations organized ~~hereunder~~ pursuant to the provisions of the

Cooperative Marketing Association Act, except where such provisions are inconsistent with the express provisions of ~~this act~~ the Cooperative Marketing Association Act.

SECTION 25. REPEALER 2 O.S. 1991, Sections 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353 and 354, are hereby repealed.

SECTION 26. RECODIFICATION 2 O.S. 1991, Sections 361, 361a, 361b, 361c, 361d, 361e, 361f, 361g, 361h, 361i, 361j, 361k, 361 l, 361m, 361n, 361o, 361p, 361q, 361r, 361s, 361t, 361u, 361v and 361w, as amended by Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23 and 24 of this act, shall be recodified as Sections 17-1 through 17-24 of Title 2 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 27. This act shall become effective November 1, 2001.

48-1-6623 KSM 6/12/15