

Senate Study Bill 2202

Conference Committee Text

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1 1 Section 1. Section [499.29](#), Code 1995, is amended to read
1 2 as follows:
1 3 499.29 MANNER OF VOTING.
1 4 Votes shall be cast in person, and not by proxy. The vote
1 5 of a member-association shall be cast only by its
1 6 representative duly authorized in writing. If the articles or
1 7 bylaws permit,

~~an absent~~

~~a member may cast that member's~~

1 8

~~signed written~~

~~vote, in advance of the meeting, upon any~~

1 9 proposition of which the member has been previously notified
1 10 in writing

~~, and of which a copy accompanies the member's vote~~

1 11 Sec. 2. Section 499.30, subsection 2, paragraph b, Code
1 12 Supplement 1995, is amended to read as follows:
1 13 b. To the extent that the cooperative association is not
1 14 operating on a pooling basis as provided in this subsection,
1 15 at least ten percent of the remaining earnings must be added
1 16 to surplus until surplus equals either thirty percent of the
1 17 total of all capital paid in for stock or memberships, plus
1 18 all unpaid patronage dividends, plus certificates of
1 19 indebtedness payable upon liquidation, earnings from nonmember
1 20 business, and earnings arising from the earnings of other
1 21 cooperative organizations of which the association is a
1 22 member, or one thousand dollars, whichever is greater. No
1 23 additions shall be made to surplus when it exceeds either
1 24 fifty percent of the total, or one thousand dollars, whichever
1 25 is greater, without the approval of the membership by a
1 26 majority of votes cast.

1 27 Sec. 3. Section [499.46](#), Code 1995, is amended to read as
1 28 follows:

1 29 499.46 BYLAWS.

1 30 The directors, by a vote of seventy-five percent of the
1 31 directors, may adopt, alter, amend, or repeal bylaws for the
1 32 association, which shall remain in force until altered,
1 33 amended, or repealed by a vote of seventy-five percent of the
1 34 members present or represented having voting privileges, at
1 35 any annual meeting or special meeting of the membership,

~~or as~~

2 1

~~otherwise provided in the articles of incorporation or bylaws~~

2 2 provided that at least ten days' prior written notice of the
2 3 impending membership vote has been mailed to all members of
2 4 the association with a copy or summary of the proposed
2 5 adoption, alteration, amendment, or repeal of the bylaws.
2 6 Proposals by members to adopt, alter, amend, or repeal bylaws

2 7 by vote of the membership shall be presented to the
2 8 association's registered office for mailing to the membership
2 9 by the association at least twenty days prior to the meeting
2 10 at which the proposed change is to be considered. Bylaws
2 11 shall be kept by the secretary subject to inspection by any
2 12 member at any time. Bylaws may deal with the fiscal or
2 13 internal affairs of the association or any subject of this
2 14 chapter in any manner not inconsistent with this chapter or
2 15 the articles.

2 16 EXPLANATION

2 17 This bill relates to voting, the distribution of earnings,
2 18 and the bylaws of a cooperative association. The bill
2 19 eliminates the provisions requiring a member's vote made in
2 20 writing in advance of the meeting to be signed by the member
2 21 and accompanied by a copy of the notice of the proposition
2 22 being voted on. These changes have the effect of allowing a
2 23 member to cast a secret absentee vote on issues that come
2 24 before a membership meeting of a cooperative association and
2 25 then attend the membership meeting without invalidating the
2 26 absentee ballot.

2 27 The bill amends the provision prohibiting additional
2 28 earnings from being added to the surplus of a cooperative
2 29 association when the surplus exceeds either 50 percent of the
2 30 total of all capital paid in for stock or membership, or
2 31 \$1,000, whichever is greater, by authorizing the membership,
2 32 by a majority of votes cast, to approve such an addition.

2 33 The bill provides that the members of a cooperative asso-
2 34 ciation may adopt, alter, amend, or repeal the bylaws of the
2 35 cooperative association provided that 10 days' prior written
3 1 notice of the impending membership vote is mailed to all
3 2 members by the association with a copy or summary of the
3 3 proposed change. The bill provides that proposals by members
3 4 to change the bylaws of the cooperative association by vote of
3 5 the membership must be presented to the cooperative
3 6 association's registered office for mailing to the membership
3 7 by the association at least 20 days prior to the meeting at
3 8 which the proposed change is to be considered.

3 9 LSB 3660SC 76

3 10 kah/jw/5.2