

LEGISLATIVE BILL 156

Approved by the Governor March 14, 1975

Introduced by Carsten, 2

AN ACT to amend sections 21-1301 and 21-1303, Reissue Revised Statutes of Nebraska, 1943, relating to cooperative corporations; to provide for required voting percentages; to provide for signed, written votes; to provide quorum requirements; to provide an exclusion; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 21-1301, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

21-1301. Any number of persons, not less than ten, or one or more cooperative companies, may form and organize a cooperative corporation for the transaction of any lawful business by the adoption of articles of incorporation in the same manner and with like powers and duties as is required of other corporations except as herein provided in sections 21-1301 to 21-1306. Nothing in this act shall be deemed to apply to electrical cooperatives or electric member associations. Wherever sections 21-2001 to 21-20,142 require an affirmative vote of a specified percentage of stockholders before action can be taken by a corporation, such percentage for a cooperative corporation shall be of the votes cast on the matter at the stockholders' meeting at which the same shall be voted upon.

Sec. 2. That section 21-1303, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

21-1303. Every cooperative company which shall organize under sections 21-1301 and 21-1302 shall have power (1) to regulate and limit the right of stockholders to transfer their stock, (2) to provide that each individual holder of common stock may be limited to one vote per person, regardless of the number of shares of stock which he may own, at any stockholders' meeting and that such vote may be cast only in person, or by a signed, written vote if the stockholder has been previously notified in writing of the exact motion or resolution on which the vote is taken, (3) to limit the amount of capital stock that any one person or corporation may own either directly or indirectly, (4) to

prohibit or to limit the amount or percentage of the total business which may be transacted with nonmembers, (5) to set aside each year to a surplus fund a portion of the savings of the company over and above all expenses and dividends or interest upon capital stock which surplus may be used for conducting the business of the corporation, and (6) to adopt articles and by-laws for the management and regulation of the affairs of the company which shall also set the number or percentage of stockholders or shares of stock required to be present, in person or by proxy, in order to constitute a quorum at each stockholders' meeting, which number or percentage shall not be less than ten per cent of the stockholders but never more than fifty nor less than five stockholders. Members represented by signed, written vote may be counted in computing a quorum only on those questions as to which the signed, written vote is taken.

Sec. 3. That original sections 21-1301 and 21-1303, Reissue Revised Statutes of Nebraska, 1943, are repealed.