

LEGISLATIVE BILL 155

Approved by the Governor March 8, 1977

Introduced by Carsten, 2

AN ACT to amend sections 21-1405, 21-1406, and 21-1414, Reissue Revised Statutes of Nebraska, 1943, relating to nonstock cooperative marketing companies; to authorize purchase contracts; to change the manner and time of compensating a former member; to conform nonstock cooperative voting requirements to those of stock cooperatives; and to repeal the original sections.

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

Section 1. That section 21-1405, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

21-1405. Each association incorporated hereunder shall have the following powers: (1) To adopt by-laws consistent with law providing for any matter or thing relative to the control, operation, maintenance, management, regulation, government, financing, indebtedness, the establishment of voting districts and the election of delegates for representative purposes, membership, the termination thereof, with respect to members, directors or officers, and any other by-laws pertaining to its affairs; (2) to buy, lease or hold any real or personal property necessary or convenient for the conduct and operation of the business or incidental thereto; (3) to buy, and sell agricultural products including livestock for itself and its members and stockholders and others, and as agents on commission; (4) to enter into contracts with its members for periods not over five years, requiring them to sell or market all or a specified part of their livestock or other products to or through the association, or to buy all, or a specified part, of their farm supplies from or through the association; (5) to employ any lawful means or methods for financing its transactions or operations; (6) to borrow money and to make advance payments and other advances to members; (7) to act as agent or representative of any member or members or of nonmembers in carrying out the objects of the association; (8) to receive and employ warehouse receipts or other written instruments covering products of members stored on farms or elsewhere under suitable conditions issued or executed by any warehouseman, warehousing association, or other entity, which products may or may not have been inspected by inspectors licensed or authorized to inspect, sample,

classify, grade, or weigh agricultural products under state or federal laws, and which warehouse receipts or other written instruments may or may not be accompanied by the certificate or certificates issued by such inspectors on such products; (9) to form or become a member or stockholder of other corporations or associations authorized to engage in any activity relating to the business of the association, and to admit to membership other nonprofit associations of producers; (10) to do each and everything necessary, suitable or proper for the accomplishment of any one or more of the purposes or the attainment of any one or more of the objects herein enumerated or the objects or purposes for which formed, including organization and educational work and, to contract and act accordingly; and (11) to exercise and possess all powers, rights and privileges necessary or incidental to the objects or purposes for which formed or to the activities in which it is engaged or which further the accomplishment of such objects or purposes or the conduct of such activities; and, in addition, any other rights, powers and privileges granted by the laws of this state to ordinary corporations, except such as are inconsistent with the provisions of sections 21-1401 to 21-1414, and to do any such thing anywhere.

Sec. 2. That section 21-1406, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

21-1406. Only persons engaged in the production of the agricultural products, ~~handled-by-an--association;~~ including lessees and landlords receiving such products as rent except as otherwise provided herein, or cooperative associations of such producers, shall be eligible to membership therein, subject to the terms and conditions prescribed in its articles of incorporation or by-laws consistent herewith. Only members of an association shall have the right to vote, and no member shall be entitled to more than one vote upon any question or matter affecting the association or relating to its affairs. Articles of incorporation hereunder may provide that no voting by proxy shall be permitted and may further provide that a written vote received by mail from any absent member, and signed by him, may be read and counted at any regular or special meeting of the association, provided that the secretary shall notify all members in writing of the exact motion or resolution upon which such vote is to be taken, and a copy of same shall be forwarded with and attached to the vote so mailed by the member, and elections may be carried out in a similar manner. No member of an association shall be liable for its debts or obligations beyond the unpaid amount, if

any, due by him on his membership dues. Every association formed hereunder shall issue a certificate of membership to each member which, unless otherwise provided in its articles of incorporation or by-laws, shall be nontransferable. Following the ascertainment through procedure set forth in its by-laws that a member has ceased to be eligible to membership in an association, his rights therein may be suspended. In the event of the death, withdrawal or expulsion of a member, the board of directors shall within a reasonable time thereafter equitably and conclusively ascertain the amount value of such member's interest---therein membership, if any, which shall be paid him or his legal representatives by the association within a reasonable time after year-from such ascertainment.

Sec. 3. That section 21-1414, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

21-1414. The provisions of the general corporation laws of this state, and all powers and rights thereunder, shall apply to the associations organized hereunder, except where such provisions are in conflict with or inconsistent with the express provisions of sections 21-1401 to 21-1414; Provided, that wherever such general corporation laws require an affirmative vote of a specified percentage of stockholders to authorize action by the corporation, such percentage for a nonstock cooperative association shall be that percentage of the votes cast on the matter at the members' meeting at which the same shall be voted upon. Any provision of law which is in conflict therewith shall not be construed as applying to any association herein provided for.

Sec. 4. That original sections 21-1405, 21-1406, and 21-1414, Reissue Revised Statutes of Nebraska, 1943, are repealed.