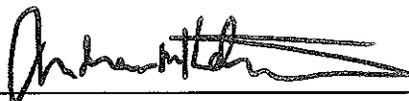


4.28.14
2014

Chapter No. 507
14/HR40/R988SG
EW JPP

HOUSE BILL NO. 914

Originated in House  Clerk

HOUSE BILL NO. 914

AN ACT TO AMEND SECTION 79-19-9, MISSISSIPPI CODE OF 1972, TO REVISE THE POWERS OF COOPERATIVE MARKETING ASSOCIATIONS TO ALLOW THE PURCHASE, SELL AND DEAL IN AGRICULTURAL PRODUCTS OF NONMEMBERS UP TO A CERTAIN AMOUNT; TO AMEND SECTION 79-19-13, MISSISSIPPI CODE OF 1972, TO AMEND THE ARTICLES OF ASSOCIATION TO REMOVE THE 99-YEAR LIMITATION PERIOD DURING WHICH AN ASSOCIATION MAY EXIST, IF NOT FOR A PERPETUAL PERIOD; TO AMEND SECTION 79-19-15, MISSISSIPPI CODE OF 1972, TO REQUIRE THAT ANY AMENDMENTS MADE TO THE ARTICLES OF ASSOCIATION BE ADOPTED BY A MAJORITY VOTE OF THE MEMBERS OF THE ASSOCIATION AFTER A TWO-THIRDS APPROVAL OF THE BOARD OF DIRECTORS; TO PRESCRIBE THE PROCESS FOR RECESSING THE MEETING AND PROVIDING NOTICE OF A SUBSEQUENT MEETING TO TAKE PLACE NOT LESS THAN THREE WEEKS FROM THE RECESS FOR MEMBERS TO ADOPT THE AMENDMENTS; TO AMEND SECTION 79-19-23, MISSISSIPPI CODE OF 1972, TO REQUIRE THE BOARD OF DIRECTORS TO ELECT A CHAIRMAN OR BOARD PRESIDENT AND CHIEF OPERATING OFFICER OF THE ASSOCIATION; TO AMEND SECTION 79-19-25, MISSISSIPPI CODE OF 1972, TO REVISE THE CONDITION UPON WHICH AN INDIVIDUAL IS ENTITLED TO RECEIPT OF A CERTIFICATE OF MEMBERSHIP; TO AMEND SECTION 79-19-55, MISSISSIPPI CODE OF 1972, TO INCREASE THE FEE FOR FILING ARTICLES OF ASSOCIATION TO FIFTY DOLLARS AND REMOVE THE FEE FOR FILING AN AMENDMENT TO THE ARTICLES; TO CREATE NEW SECTION 79-19-65, MISSISSIPPI CODE OF 1972, TO PROVIDE FOR THE APPLICABILITY OF GENERAL LAWS GOVERNING NONPROFIT CORPORATIONS; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 79-19-9, Mississippi Code of 1972, is

amended as follows:

H. B. No. 914

14/HR40/R988SG

Page 1

79-19-9. Each association incorporated hereunder shall have the following powers:

(a) To engage in any activity in connection with the growing, breeding, marketing, selling, or buying, or utilization of live stock and poultry of every description and the byproducts thereof, or with the marketing, selling, harvesting, preserving, drying, processing, manufacturing, canning, packing, grading, storing, handling, or utilization of any agricultural product produced or delivered to it by its members; or the manufacturing or marketing of the byproducts thereof; or in connection with the purchase, hiring, or use by its members of supplies, machinery, or equipment; or in the financing of any such activities; or in any one or more of the activities specified in this section. * * * The association may also buy, sell and deal in agricultural products of nonmembers to an amount not greater in value than such as are handled by it for its members.

(b) To borrow money and to make advances to members.

(c) To act as the agent or representative of any member or members in any of the above mentioned activities.

(d) To purchase or otherwise acquire, and to hold, own, and exercise all rights of ownership in, and to sell, transfer, or pledge, or guarantee the payment of dividends or interest on, or the retirement or redemption of shares of the capital stock or bonds of any corporation or association engaged in any related

activity, or in the warehousing or handling or marketing of any of the products handled by the association.

(e) To establish reserves and to invest the funds thereof in bonds or such other property as may be provided in the bylaws.

(f) To buy, hold, and exercise all privileges of ownership over such real or personal property as may be necessary or convenient for the conducting and operation of any of the business of the association, or incidental thereto.

(g) To do each and every thing necessary, suitable, or proper for the accomplishment of any one (1) of the purposes, or the attainment of any one or more of the objects herein enumerated, or conducive to or expedient for the interest or benefit of the association; and to contract accordingly; and in addition to exercise and possess all powers, rights, and privileges necessary or incidental to the purposes for which the association is organized, or to the activities in which it is engaged; and to do any such thing anywhere.

(h) To sue and be sued, and prosecute and be prosecuted to judgment and suit before any court; to contract and be contracted with.

SECTION 2. Section 79-19-13, Mississippi Code of 1972, is amended as follows:

79-19-13. Each association formed under this chapter must prepare and file articles of association, setting forth:

- (a) The name of the association.
- (b) The purposes for which it is formed.
- (c) The place where its principal business will be transacted.
- (d) The term for which it is to exist, * * * if other than perpetual.

(e) The number of directors thereof, which must not be less than five (5) and may be any number in excess thereof, and the term of office of such directors.

(f) If organized without capital stock, whether the property rights and interest of each member shall be equal or unequal; and if unequal, the articles shall set forth the general rule or rules applicable to all members by which property right and interests, respectively, of each member may and shall be determined and fixed; and provision for the admission of new members who shall be entitled to share in the property of the association with the old members, in accordance with such general rule or rules. This paragraph of the articles of association shall not be altered, amended, or repealed except by the written consent of the vote of three-fourths (3/4) of the members.

(g) If organized with capital stock, the amount of such stock and the number of shares into which it is divided and the par value thereof. The capital stock may be divided into preferred and common stock. If so divided the articles of association must contain a statement of the number of shares of

stock to which preference is granted and the number of shares of stock to which no preference is granted and the nature and definite extent of the preference and privileges granted to each.

The articles must be subscribed by the incorporators and acknowledged by one (1) of them before an officer authorized by the laws of this state to take and certify acknowledgments, and shall be filed and recorded in the Office of the Secretary of State.

SECTION 3. Section 79-19-15, Mississippi Code of 1972, is amended as follows:

79-19-15. (1) Any amendment to the articles of association must first be approved by a vote of not less than two-thirds (2/3) of all the members of the board of directors and then adopted by a vote representing a majority of all the members of the association. * * *

(2) However, if a majority of the members are not present at a meeting of the members of the association to a proposed amendment that has been submitted, then those present shall recess the meeting to a time and place certain, but not sooner than three (3) weeks from the time of recess. Prior to the reconvening of the recessed meeting, notices shall be published each week for three (3) consecutive weeks in a newspaper of general circulation in the place where the principal office of the association is located. These notices shall state the time, place, and purpose of the recessed meeting. When the meeting reconvenes, the members

present shall constitute a quorum, and may take action on the proposed amendment by a majority vote of those present, even if members present are fewer than a majority of the total membership of the association.

(3) Amendments to the articles of association when so adopted shall be certified to by the president and secretary of the association and shall be filed with the Secretary of State. Such certification and filing shall be conclusive evidence of the validity of such amendment.

SECTION 4. Section 79-19-23, Mississippi Code of 1972, is amended as follows:

79-19-23. The directors shall elect from their number a chairman or board president * * *. The directors also shall elect a chief operating officer of the association, one or more vice presidents * * *, a secretary and treasurer, * * * none of whom need * * * be directors or members of the association * * *. The board may combine the two (2) latter offices and designate the combined office as secretary-treasurer. The treasurer may be a bank or any depository, and as such shall not be considered as an officer but as a function of the board of directors. In such case the secretary shall perform the usual accounting duties of the treasurer, excepting that the funds shall be deposited only as authorized by the board of directors.

SECTION 5. Section 79-19-25, Mississippi Code of 1972, is amended as follows:

79-19-25. When a member of an association established without capital stock has paid his membership fee, if required, in full he shall receive a certificate of membership.

No association shall issue stock to a member until it has been fully paid for.

Except for debts lawfully contracted between him and the association, no member shall be liable for the debts of the association to an amount exceeding the sum remaining unpaid on his membership fee.

No stockholder of a cooperative association shall own more than one-twentieth (1/20) of the common stock of the association or more than one-twentieth (1/20) of the preferred stock of the association enjoying voting rights, but any one (1) stockholder may own one-twentieth (1/20) of each class; and an association, in its bylaws, may limit the amount of common stock or of preferred stock enjoying voting rights which one (1) member may own to any amount less than one-twentieth (1/20) of such stock.

Each share of stock shall entitle the holder thereof to one (1) vote in the management of the association; provided, however, if authorized by the articles of association, classes of preferred stock may be issued without voting rights.

Preferred stock may be redeemable or retirable by the association on such terms and conditions as may be provided for by the articles of association and printed on the face of the certificate.

The bylaws shall prohibit the transfer of the common stock or of preferred stock enjoying voting rights to persons not engaged in the production of the agricultural products handled by the association, and such restrictions must be printed upon every certificate of stock subject thereto.

The association may at any time, except when the debts of the association exceed fifty percent (50%) of the assets thereof, buy in or purchase its stock at book value thereof as conclusively determined by the board of directors and pay for it in cash within one (1) year thereafter.

SECTION 6. Section 79-19-55, Mississippi Code of 1972, is amended as follows:

79-19-55. For filing articles of association and amendments to the articles, an association organized * * * under this chapter shall pay to the Secretary of State * * * Fifty Dollars (\$50.00).

SECTION 7. The following shall be codified as Section 79-19-65, Mississippi Code of 1972:

79-19-65. The general nonprofit corporation laws and all powers and rights under those laws apply to the associations organized under this chapter, except where such provisions are in conflict or inconsistent with the express provisions of this chapter.

SECTION 8. This act shall take effect and be in force from
and after July 1, 2014.

PASSED BY THE HOUSE OF REPRESENTATIVES
April 1, 2014


SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
April 1, 2014


PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR


GOVERNOR

4/23/14

2:17pm