

Enrolled
Senate Bill 466

Sponsored by COMMITTEE ON BUSINESS, TRANSPORTATION AND WORKFORCE DEVELOPMENT (at the request of Agricultural Cooperative Council of Oregon)

CHAPTER

AN ACT

Relating to cooperatives; amending ORS 62.280.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 62.280 is amended to read:

62.280. (1) The corporate powers of a cooperative shall be exercised by or under the authority of the board of directors, and the business and affairs of a cooperative shall be managed under the direction of the board of directors. **Except as provided in subsection (2) of this section,** each director, at all times during the director's term of office, shall be a member or a representative of a member which is other than a natural person. Unless the bylaws otherwise provide, directors need not be residents of this state.

(2) If authorized by the bylaws of the cooperative, a cooperative other than a telecommunications cooperative or electric cooperative may have one or more directors who are not members or representatives of members that are other than natural persons. A majority of the directors of a cooperative described in this subsection must be members or representatives of members that are not natural persons.

(3) The bylaws may prescribe any other qualifications for directors and may provide that directors be from specified territorial districts. The bylaws may also provide that voting on the election of directors from specified territorial districts may be limited to members from the respective districts without the obligation to hold district meetings.

[(2)] (4) The number of directors of a cooperative shall be not less than three, unless the number of members of the cooperative is less than three. If the number of members of the cooperative is less than three, the number of directors shall not be less than the number of members of the cooperative. Subject to this limitation, the number of directors shall be fixed or determined by the bylaws, except as to the number constituting the initial board, which number shall be fixed by the articles.

[(3)] (5) Directors constituting the initial board named in the articles shall hold office until the first annual meeting of the members and until their successors are elected and take office. At that meeting and thereafter, directors shall be elected by the members in the manner and for the term of office, not to exceed three years, provided in the bylaws. Each director shall begin immediately to discharge the duties of director and, subject to resignation or removal, shall hold office for the term for which the director was elected and until a successor takes office.

[(4)] (6) A director may be removed upon a majority vote of all members voting in person thereon at a duly called member meeting if written reasons for removal of the director are included in the notice of the meeting and the director whose removal is sought has had an opportunity to answer the reasons at the meeting. The written statement of reasons for removal shall be filed with

the minutes of the meeting. The bylaws may contain such other provisions for the removal of a director as may be consistent with the provisions of this subsection.

[(5)] (7) Unless the bylaws provide otherwise, any vacancy occurring in the board may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the board. The director elected to fill a vacancy shall be elected for the unexpired term of the director's predecessor in office.

Passed by Senate March 20, 2007

Repassed by Senate May 23, 2007

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Secretary of Senate

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President of Senate

Passed by House May 21, 2007

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Speaker of House

Received by Governor:

.....M.,....., 2007

Approved:

.....M.,....., 2007

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Governor

Filed in Office of Secretary of State:

.....M.,....., 2007

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Secretary of State