

A-Engrossed
Senate Bill 466

Ordered by the Senate March 14
Including Senate Amendments dated March 14

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

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Allows agricultural cooperative to have one or more directors who are not members or [*who are*] representatives of members that are not natural persons, if authorized by bylaws of cooperative. **Requires that majority of directors of cooperative be members or representatives of members that are not natural persons.**

A BILL FOR AN ACT

1
2 Relating to cooperatives; amending ORS 62.280.

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

4 **SECTION 1.** ORS 62.280 is amended to read:

5 62.280. (1)(a) The corporate powers of a cooperative shall be exercised by or under the authority
6 of the board of directors, and the business and affairs of a cooperative shall be managed under the
7 direction of the board of directors. **Except as provided in this subsection**, each director, at all
8 times during the director's term of office, shall be a member or **be** a representative of a member
9 [*which*] **that** is other than a natural person. **If authorized in the bylaws of the cooperative, an**
10 **agricultural cooperative may have one or more directors who are not members or repre-**
11 **sentatives of members that are other than natural persons. However, a majority of the di-**
12 **rectors of an agricultural cooperative must be members or be representatives of members**
13 **that are not natural persons.** Unless the bylaws otherwise provide, directors need not be residents
14 of this state.

15 (b) **As used in this subsection, "agricultural cooperative" has the meaning given that**
16 **term in ORS 62.720.**

17 (2) The bylaws may prescribe any other qualifications for directors and may provide that di-
18 rectors be from specified territorial districts. The bylaws may also provide that voting on the
19 election of directors from specified territorial districts may be limited to members from the respec-
20 tive districts without the obligation to hold district meetings.

21 [(2)] (3) The number of directors of a cooperative shall be not less than three, unless the number
22 of members of the cooperative is less than three. If the number of members of the cooperative is less
23 than three, the number of directors shall not be less than the number of members of the cooperative.
24 Subject to this limitation, the number of directors shall be fixed or determined by the bylaws, except
25 as to the number constituting the initial board, which number shall be fixed by the articles.

26 [(3)] (4) Directors constituting the initial board named in the articles shall hold office until the

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

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

6 [(4)] (5) A director may be removed upon a majority vote of all members voting in person
7 thereon at a duly called member meeting if written reasons for removal of the director are included
8 in the notice of the meeting and the director whose removal is sought has had an opportunity to
9 answer the reasons at the meeting. The written statement of reasons for removal shall be filed with
10 the minutes of the meeting. The bylaws may contain such other provisions for the removal of a di-
11 rector as may be consistent with the provisions of this subsection.

12 [(5)] (6) Unless the bylaws provide otherwise, any vacancy occurring in the board may be filled
13 by the affirmative vote of a majority of the remaining directors though less than a quorum of the
14 board. The director elected to fill a vacancy shall be elected for the unexpired term of the director's
15 predecessor in office.

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