

Senate Bill 429

Sponsored by Senator BONHAM (at the request of Oregon Family Farm Association) (Pre-session filed.)

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 **as introduced**.

Establishes certain requirements for member of board of directors of agricultural cooperative.

A BILL FOR AN ACT

Relating to the board of directors of an agricultural cooperative.

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

SECTION 1. (1) As used in this section:

(a) **"Agricultural cooperative" means a cooperative organized and operating under ORS chapter 62 through which farmers act together in:**

(A) **Producing, processing, preparing for market, handling or marketing the agricultural products of the farmers; or**

(B) **Purchasing, testing, grading, processing, distributing and furnishing farm supplies or farm business services.**

(b) **"Net realized market value" means the net return an agricultural cooperative receives after selling a commodity and subtracting appropriate expenses.**

(2) A member of a board of directors of an agricultural cooperative:

(a) **Shall exercise good faith in undertaking board duties, including honoring fiduciary duties to the agricultural cooperative.**

(b) **May not vote on setting the price of the agricultural cooperative for a commodity if:**

(A) **The board member, or a business that the board member has a financial interest in, delivers the commodity to the agricultural cooperative; and**

(B) **The price for the commodity exceeds the net realized market value of the commodity.**

(c) **May not participate in an activity of the board that raises an actual or perceived conflict of interest, such as the sale of more than one commodity by the agricultural cooperative.**

(d) **May not advantage the board member's position in, or payments from, the agricultural cooperative to the detriment of the agricultural cooperative or other members of the agricultural cooperative.**

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.