

**FINAL BILL REPORT**

**SSB 6492**

**C 206 L 94**

**SYNOPSIS AS ENACTED**

**Brief Description:** Regulating agricultural associations.

**SPONSORS:** Senate Committee on Agriculture (originally sponsored by Senators M. Rasmussen and Newhouse)

**SENATE COMMITTEE ON AGRICULTURE**

**HOUSE COMMITTEE ON AGRICULTURE & RURAL DEVELOPMENT**

**BACKGROUND:**

Dissenter right provisions that apply to corporations also apply to cooperatively-owned associations. In 1991, changes were made to the dissenters rights law that require dissenters to be notified of a proposed merger or sale of the corporation or cooperative and of dissenters' option to receive payment for their ownership interest within 30 days.

Concern exists about the inability to plan mergers or sales of agricultural cooperative associations due to lack of predictability of the value of equity interests of dissenting shareholders that would have to be paid in a relatively short time.

**SUMMARY:**

Instead of making payment to dissenters on the sale or merger of a cooperative association, the agricultural cooperative association may make the payment of the member's equity interest over the same time schedule that would have applied if membership in the association had been terminated.

**VOTES ON FINAL PASSAGE:**

Senate	46	0
House	96	0

**EFFECTIVE:** June 9, 1994