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**Judiciary Committee**

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**SB 5726**

**Title:** An act relating to eligibility to be a director of a cooperative association.

**Brief Description:** Revising eligibility requirements for directors of cooperative associations.

**Sponsors:** Senators Morton, Rasmussen, Brandland, Parlette, Swecker and Jacobsen.

**Brief Summary of Bill**

- Allows members of a cooperative association to elect nonmembers to its board of directors.

**Hearing Date:** 4/3/03

**Staff:** Trudes Tango Hutcheson (786-7384).

**Background:**

Any number of persons may join together to form, with or without stock, a cooperative association under Chapter 23.86 RCW. An association may be formed to advance "any lawful business," including any agricultural, dairy, mercantile, mining, manufacturing, or mechanical business.

The members of a cooperative association must elect a board, consisting of at least three directors who manage the association. The directors must be members of the association. Statutory procedures exist for members to remove a director.

**Summary of Bill:**

The requirement that the directors of a cooperative association must be members of the association is eliminated.

**Appropriation:** None.

**Fiscal Note:** Not Requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.