

SENATE BILL REPORT

SB 5726

As Reported By Senate Committee On:
Commerce & Trade, February 27, 2003

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 History:

Committee Activity: Commerce & Trade: 2/21/03, 2/27/03 [DP].

SENATE COMMITTEE ON COMMERCE & TRADE

Majority Report: Do pass.

Signed by Senators Honeyford, Chair; Hewitt, Vice Chair; Franklin, Keiser and Mulliken.

Staff: John Dzedzic (786-7784)

Background: Any number of persons may join together to form, with or without capital 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" or "trustees." The directors or trustees must be members of the association.

Summary of Bill: The requirement that the directors or trustees of a cooperative association must be members of the association is eliminated.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Cooperative associations are facing increasingly more complex and sophisticated business issues. The memberships of these associations need the ability to elect persons to their boards of directors who have expertise, such as in accounting, finance, or the law, that may not be present within the membership.

Testimony Against: None.

Testified: Dan Coyne, WA State Council of Farmer Cooperatives (pro).