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HOUSE BILL 1635

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State of Washington

69th Legislature

2025 Regular Session

By Representatives Ryu, Doglio, and Gregerson

Read first time 01/28/25. Referred to Committee on Civil Rights & Judiciary.

1 AN ACT Relating to the composition of the boards of directors of  
2 consumer cooperatives and cooperative associations; and amending RCW  
3 23.86.080 and 24.06.130.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 23.86.080 and 2003 c 252 s 1 are each amended to  
6 read as follows:

7 (1) Associations shall be managed by a board of not less than  
8 three directors (which may be referred to as "trustees"). The  
9 directors shall be elected by the members of the association at such  
10 time, in such manner, and for such term of office as the bylaws may  
11 prescribe, and shall hold office during the term for which they were  
12 elected and until their successors are elected and qualified.

13 (2) Except as provided in RCW 23.86.087, any vacancy occurring in  
14 the board of directors, and any directorship to be filled by reason  
15 of an increase in the number of directors, may be filled by the board  
16 of directors unless the articles of incorporation or the bylaws  
17 provide that a vacancy or directorship so created shall be filled in  
18 some other manner. A director elected or appointed to fill a vacancy  
19 shall be elected or appointed for the unexpired term of the  
20 predecessor in office.

1       (3) For any cooperative association that has 2,500 or more  
2 employees employed worldwide, the articles of incorporation or the  
3 bylaws must specify that two positions on the board of directors must  
4 be reserved for persons who are, at the time of their holding such a  
5 position, nonsupervisory or nonmanagerial employees of the  
6 corporation, who must be selected by a majority vote held among the  
7 corporation's nonsupervisory and nonmanagerial employees acting as a  
8 body. Directors who are nonsupervisory and nonmanagerial employees of  
9 the corporation may not vote on any resolution pertaining to the  
10 setting of wages and employee benefits or other terms or conditions  
11 of employment related to nonsupervisory or nonmanagerial employees of  
12 the corporation.

13       **Sec. 2.** RCW 24.06.130 and 2011 c 336 s 665 are each amended to  
14 read as follows:

15       (1) The number of directors of a corporation shall be not less  
16 than three and shall be fixed by the bylaws: PROVIDED, That the  
17 number of the first board of directors shall be fixed by the articles  
18 of incorporation. The number of directors may be increased or  
19 decreased from time to time by amendment to the bylaws, unless the  
20 articles of incorporation provide that a change in the number of  
21 directors shall be made only by amendment of the articles of  
22 incorporation. No decrease in number shall have the effect of  
23 shortening the term of any incumbent director. In the absence of a  
24 bylaw fixing the number of directors, the number shall be the same as  
25 that stated in the articles of incorporation.

26       (2) The directors constituting the first board of directors shall  
27 be named in the articles of incorporation and shall hold office until  
28 the first annual election of directors or for such other period as  
29 may be specified in the articles of incorporation or the bylaws.  
30 Thereafter, directors shall be elected or appointed in the manner and  
31 for the terms provided in the articles of incorporation or the  
32 bylaws. In the absence of a provision fixing the term of office, the  
33 term of office of a director shall be one year.

34       (3) Directors may be divided into classes and the terms of office  
35 of the several classes need not be uniform. Each director shall hold  
36 office for the term for which he or she is elected or appointed and  
37 until his or her successor shall have been elected or appointed and  
38 qualified.

1       (4) For any consumer cooperative that has 2,500 or more employees  
2 employed worldwide, the articles of incorporation or the bylaws must  
3 specify that two positions on the board of directors must be reserved  
4 for persons who are, at the time of their holding such a position,  
5 nonsupervisory or nonmanagerial employees of the corporation, who  
6 must be selected by a majority vote held among the corporation's  
7 nonsupervisory and nonmanagerial employees acting as a body.  
8 Directors who are nonsupervisory and nonmanagerial employees of the  
9 corporation may not vote on any resolution pertaining to the setting  
10 of wages and employee benefits or other terms or conditions of  
11 employment related to nonsupervisory or nonmanagerial employees of  
12 the corporation.

13       (5) A director may be removed from office pursuant to any  
14 procedure therefor provided in the articles of incorporation.

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