

HB 850 -- Missouri Cooperative Associations Act

Sponsor: Diehl

This bill establishes the Missouri Cooperative Associations Act which allows a cooperative to be formed and organized to conduct or promote any lawful business or purpose for the mutual welfare of its members. In its main provisions, the bill:

- (1) Specifies that any cooperative formed under this act will not be subject to the provisions in Chapter 357, RSMo, relating to cooperative companies;
- (2) Specifies that a cooperative will be comprised of members and governed by a board of directors. Members may be patron or nonpatron members with patron members being those who conduct business with the cooperative;
- (3) Allows a cooperative to elect to be structured as a corporation or as a partnership under federal income tax laws;
- (4) Specifies that the articles of association may limit a director's liability except for a breach of the duty of loyalty to the cooperative or its members, intentional misconduct, illegal distributions, and improper benefits;
- (5) Allows a cooperative to indemnify persons in certain situations;
- (6) Specifies the requirements for the organization of a cooperative including defining organizational purpose, who may organize, cooperative names, elements to be included in the articles of organization and bylaws, and the procedures and requirements for amending the articles and bylaws;
- (7) Requires a member to have access to the books and records of the cooperative;
- (8) Specifies the requirements governing the actions and liabilities of directors and officers including the number and election procedures for directors, quorum requirements, removal procedures for directors and officers, meeting requirements, limitation of liability, and indemnification procedures;
- (9) Specifies member requirements including membership interests, meetings, voting rights, sale of assets, and contribution agreements; and
- (10) Specifies the procedures for merging, consolidating, and dissolving a cooperative.