

AN ACT

ENTITLED, An Act to allow the merger or consolidation of a cooperative and its subsidiary.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That chapter 47-18 be amended by adding thereto a NEW SECTION to read as follows:

A cooperative that owns shares of a domestic or foreign subsidiary corporation that carries at least ninety percent of the voting power of each class and series of the outstanding shares of the subsidiary that has voting power may merge the subsidiary into itself or into another such subsidiary without the approval of the board of directors or shareholders of the subsidiary, unless the articles of incorporation of any such corporation otherwise provide, and unless, in the case of a foreign subsidiary, approval by the subsidiary's board of directors or shareholders is required by the laws under which the subsidiary is organized. If approval of a merger by the subsidiary's shareholders is not required, the cooperative shall, within ten days after the effective date of the merger, notify each of the subsidiary's other shareholders, if any, that the merger has become effective. After the effective date of the merger or consolidation, the entities that were parties to the plan become a single cooperative. The procedure used to accomplish the merger or consolidation shall be as otherwise set forth in this chapter for mergers or consolidations of cooperatives. The subsidiary corporation shall be deemed the non-surviving cooperative for purposes of applying this chapter, as the context may require.

An Act to allow the merger or consolidation of a cooperative and its subsidiary.

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I certify that the attached Act
originated in the

SENATE as Bill No. 187

Secretary of the Senate

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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 187

File No. _____

Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State