

State of South Dakota

EIGHTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 2009

813Q0753

SENATE COMMERCE ENGROSSED NO. **SB 187** - 2/10/2009

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

Introduced by: Senators Rhoden, Ahlers, Hansen (Tom), and Hanson (Gary) and Representatives Vanneman, Brunner, Burg, Juhnke, Olson (Betty), and Rounds

1 FOR AN ACT ENTITLED, An Act to allow the merger or consolidation of a cooperative and
2 its subsidiary.

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

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

6 A cooperative that owns shares of a domestic or foreign subsidiary corporation that carries
7 at least ninety percent of the voting power of each class and series of the outstanding shares of
8 the subsidiary that has voting power may merge the subsidiary into itself or into another such
9 subsidiary without the approval of the board of directors or shareholders of the subsidiary,
10 unless the articles of incorporation of any such corporation otherwise provide, and unless, in the
11 case of a foreign subsidiary, approval by the subsidiary's board of directors or shareholders is
12 required by the laws under which the subsidiary is organized. If approval of a merger by the
13 subsidiary's shareholders is not required, the cooperative shall, within ten days after the effective



1 date of the merger, notify each of the subsidiary's other shareholders, if any, that the merger has
2 become effective. After the effective date of the merger or consolidation, the entities that were
3 parties to the plan become a single cooperative. The procedure used to accomplish the merger
4 or consolidation shall be as otherwise set forth in this chapter for mergers or consolidations of
5 cooperatives. The subsidiary corporation shall be deemed the non-surviving cooperative for
6 purposes of applying this chapter, as the context may require.