

AN ACT

ENTITLED, An Act to revise certain bylaw and quorum provisions regarding cooperatives.

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

Section 1. That § 47-16-7 be amended to read as follows:

47-16-7. A quorum at a member meeting of a cooperative shall be ten percent of the first one hundred members plus five percent of additional members, present in person or represented by delegate. Unless the bylaws fix a larger number of members to constitute a quorum, a quorum may never be more than fifty members nor less than five members, or a majority of all members, whichever is smaller. Members represented by signed vote may be counted in computing a quorum only on those questions as to which the signed vote is taken. The sufficiency or requirement of a quorum for the transaction of business at a district meeting of members shall be established in the bylaws. However, the quorum may not be less than five members.

Section 2. That § 47-21-56 be amended to read as follows:

47-21-56. Unless the bylaws prescribe the presence of a greater percentage or number of the members for a quorum, a quorum for the transaction of business at all meetings of the members of a cooperative having not more than one thousand members, shall be five percent of all members, present in person, and of a cooperative having more than one thousand members, shall be fifty members, present in person. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. The sufficiency or requirement of a quorum for the transaction of business at a district meeting of members shall be established in the bylaws. However, the quorum may not be less than five members.

Section 3. That § 47-15-5 be amended to read as follows:

47-15-5. It is not necessary to set forth in the articles of incorporation any of the powers granted by chapters 47-15 to 47-20, inclusive. The articles may include additional provisions, consistent with law, including provisions which are required or permitted to be set forth in the bylaws. Any provision

required or permitted in the bylaws has equal force and effect if stated in the articles. Whenever a provision of the articles is inconsistent with a bylaw, the articles control. The bylaws of a cooperative may contain any provisions for the regulation and maintenance of the affairs of the cooperative not inconsistent with law or the articles of incorporation.

Section 4. That § 47-21-19 be amended to read as follows:

47-21-19. The bylaws of a cooperative shall set forth the rights and duties of members and directors and may contain other provisions for the regulation and management of the affairs of the cooperative not inconsistent with this chapter or with its articles of incorporation. The bylaws of a cooperative may contain any provisions for the regulation and maintenance of the affairs of the cooperative not inconsistent with law or the articles of incorporation.

Section 5. That § 47-17-4 be amended to read as follows:

47-17-4. The directors of a cooperative constituting the temporary board, named in the articles, shall hold office until the first member meeting. At that meeting and thereafter, directors shall be elected by a majority of the members present at a duly called meeting of the members in the manner and for the terms provided in the bylaws. If the bylaws provide that directors be from specified territorial districts, the articles may limit voting for any director to members from within the territorial district from which such director is to be elected. The bylaws may provide that directors may be elected at district director election meetings held for said purpose. Unless the bylaws provide otherwise, a director's term of office shall be one year. Each director shall hold office for the term for which elected and until his successor takes office. The bylaws may permit selection of alternates to take the place of directors absent at a meeting of the board.

Section 6. That § 47-21-20 be amended to read as follows:

47-21-20. The bylaws may provide for the division of the territory served or to be served by a cooperative into two or more districts for any purpose, including, without limitation, the nomination and election of directors and the election and functioning of district delegates. In such case the bylaws

shall prescribe the boundaries of the district, or the manner of establishing such boundaries, and the manner of changing such boundaries, and the manner in which such districts shall function. No member at any district meeting and no district delegate at any meeting shall vote by proxy or by mail. The bylaws may provide that directors may be elected at district director election meetings held for said purpose.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1128

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1128

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