

MAINE STATE LEGISLATURE

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NINETY - THIRD LEGISLATURE

Legislative Document

No. 1154

S. P. 405

In Senate, February 26, 1947.

Transmitted by revisor of statutes pursuant to joint order

Referred to Committee on Legal Affairs. Sent down for concurrence and ordered printed.

CHESTER T. WINSLOW, Secretary.

Presented by Senator Denny of Lincoln.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FORTY-SEVEN

AN ACT Concerning Agricultural Cooperative Associations.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., c. 31, § 5, amended. The 1st paragraph of section 5 of chapter 31 of the revised statutes, as repealed and replaced by chapter 294 of the public laws of 1945, is hereby amended to read as follows:

'Articles of incorporation shall be signed ~~in quadruplicate~~; by each of the incorporators and acknowledged by at least 3 of them if natural persons, and by the president and secretary if associations, before an officer authorized to take acknowledgments, and shall state:'

Sec. 2. R. S., c. 31, § 6, amended. Section 6 of chapter 31 of the revised statutes, as repealed and replaced by chapter 294 of the public laws of 1945, is hereby amended to read as follows:

'**Sec. 6. Filing and recording certificate of incorporation.** Before commencing business, the president, treasurer, and a majority of the directors or trustee of every corporation organized under the provisions of ~~the foregoing sections~~ **this chapter** shall prepare a certificate setting forth the ~~name and purposes of the corporation, the town where located, the num-~~

~~be~~ articles of incorporation and the names and addresses of the officers, and shall sign and make oath to it; said certificate shall be presented to the attorney-general accompanied by a copy thereof or by a data sheet containing all of the information hereinbefore required; and after ~~the~~ said certificate has been examined by the attorney-general, and been by him certified to be properly drawn and signed and to be conformable to the constitution and laws, it shall be recorded in the registry of deeds in the county where said corporation is located, in a book kept for that purpose, and within 60 days after the day of the meeting at which such corporation is organized, a copy thereof certified by such register shall be filed in the office of the secretary of state, who shall enter the date of filing thereon, and on the original certificate to be kept by the corporation, and shall record said copy in a book kept for that purpose. A fee of \$5 shall be paid to the attorney-general and secretary of state respectively, and registers of deeds shall receive for recording such certificate a fee of \$5.'

Sec. 3. R. S., c. 31, § 7, sub-§ II, amended. Subsection II of section 7, of chapter 31 of the revised statutes, as repealed and replaced by chapter 294 of the public laws of 1945, is hereby amended to read as follows:

'II. After an amendment has been adopted, articles of amendment shall be prepared ~~in quadruplicate~~, setting forth the amendment and the adoption thereof, and shall be signed and sworn to by the president or vice president and by the treasurer or secretary or assistant secretary, and filed, recorded and endorsed as in the case of original ~~articles certificates~~ of incorporation. For filing or recording an amendment to the articles, the association shall pay to the registers of deeds a fee of \$5, and a fee of \$5 shall be paid to the attorney-general and secretary of state respectively.'

Sec. 4. R. S., c. 31, § 8, amended. The 1st paragraph of section 8 of chapter 31 of the revised statutes, as repealed and replaced by chapter 294 of the public laws of 1945, is hereby amended to read as follows:

'The members of the association ~~within 30 days after its incorporation,~~ ~~shall~~ may adopt by-laws not inconsistent with law or the articles, and they may alter and amend the same from time to time. The by-laws must be adopted by a majority of the members voting thereon, or if the association permits its members to vote on the basis of patronage then by a majority of members and a majority of the patronage, voting thereon. The by-laws may also provide for:'

Sec. 5. R. S., c. 31, § 10, sub-§ VII, additional. Section 10 of chapter 31 of the revised statutes, as repealed and replaced by chapter 294 of the

public laws of 1945, is hereby amended by adding thereto a new subsection to be numbered VII, to read as follows:

'VII. Whenever under the provisions of this chapter an association is permitted to take any action, provided such action is authorized by a vote of the members or the vote of a specified proportion of the voting power based on patronage, the requirements of the statute shall be deemed to have been met by an association which has established voting districts and provided for the election of delegates, if such action is authorized by a vote of the delegates representing such members or such voting power.'

Sec. 6. R. S., c. 31, § 12, amended. Section 12 of chapter 31 of the revised statutes, as repealed and replaced by chapter 294 of the public laws of 1945, is hereby amended to read as follows:

'Sec. 12. General and special meetings, how called. ~~Within 30 days after the incorporation of an association, the members thereof shall hold an organization meeting at a time and place fixed by the temporary board of directors. Not less than 10 days' written notice thereof shall be given to each member.~~ An association may provide in its by-laws for one or more regular meetings each year, which may be held within or without the state at the time and place designated in the by-laws. Special meetings of the members may be called by the board of directors, and it shall be their duty to call such meetings when 10% of the members file with the secretary a petition demanding a special meeting and specifying the business to be considered at such meeting. Notice of all meetings, except as otherwise provided by law, or the articles or by-laws, shall be mailed to each member at least 10 days prior to the meeting, and in case of special meetings the notice shall state the purposes for which it is called, but the by-laws may require that all notices, except of proposed amendments to the articles shall be given by publication in a periodical published by or for the association, to which substantially all its members are subscribers, or in a newspaper or newspapers whose combined circulation is general in the territory in which the association operates.'

Sec. 7. R. S., c. 31, § 13, sub-§§ I, II, amended. Subsections I and II of section 13 of chapter 31 of the revised statutes, as repealed and replaced by chapter 294 of the public laws of 1945, are hereby amended to read as follows:

I. The business of the association shall be managed by a board of not less than 3 directors; ~~at least 2/3 of~~ the directors shall be members of the association or officers, **general managers**, directors or members of a

member association. A director shall hold office for the term for which he was named or elected and until his successor is elected and qualified.

II. The names of the first directors shall be stated in the articles. Their successors shall be elected by the members at the first **annual** meeting of the members held after the incorporation of the association.'

Sec. 8. R. S., c. 31, § 14, amended. Section 14 of chapter 31 of the revised statutes, as repealed and replaced by chapter 294 of the public laws of 1945, is hereby amended to read as follows:

'**Sec. 14. Removal of director.** Any member may ask for the removal of a director by filing charges with the secretary or president of the association together with a petition signed by 5% of the members requesting the removal of the director in question. The removal shall be voted upon at the next meeting of the members, and by $\frac{2}{3}$ of the voting power voting thereon the association may remove the director. The director whose removal is requested shall be served with a copy of the charges not less than 10 days prior to the meeting and shall have an opportunity at the meeting to be heard in person and by counsel and to present evidence; and the persons requesting the removal shall have the same opportunity. In case the by-laws provide for election of directors by districts, then the petition for removal of a director must be signed by 20% of the members residing in the district from which he was elected. The board must call a special meeting of the members residing in that district to consider the removal of the director; and by $\frac{2}{3}$ of the voting power of the members of that district voting thereon the director in question ~~shall~~ **may** be removed from office.'

Sec. 9. R. S., c. 31, § 22, repealed and replaced. Section 22 of chapter 31 of the revised statutes, as repealed and replaced by chapter 294 of the public laws of 1945, is hereby repealed and the following enacted in place thereof:

'**Sec. 22. Benefits, how secured; certificate of action.** Any existing association formed under any law of this state as a cooperative agricultural association may elect, by a vote of $\frac{2}{3}$ of the members voting thereon at a legal meeting, to secure the benefits of and be bound by the provisions of this chapter, and shall thereupon amend such of its articles and by-laws as are not in conformity with the provisions hereof. A certificate of the action taken at such meeting shall be filed with the secretary of state within 20 days after such meeting, and a fee of \$5 shall be paid.'