S-4004.1

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**SUBSTITUTE SENATE BILL 6338**

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**State of Washington 64th Legislature 2016 Regular Session**

**By** Senate Law & Justice (originally sponsored by Senators Padden, Billig, and Baumgartner)

AN ACT Relating to the rights of dissenting members of cooperative associations in certain mergers; and amending RCW 23.86.145.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

**Sec.**  RCW 23.86.145 and 1994 c 206 s 2 are each amended to read as follows:

(1) Except as provided otherwise under this chapter, the rights and procedures set forth in chapter 23B.13 RCW shall apply to a member who elects to exercise the right of dissent.

(2) The articles of incorporation of an association subject to this chapter may provide that a dissenting member shall be limited to a return of less than the fair value of the member's equity interest in the association, but a dissenting member may not be limited to a return of less than the consideration paid to or retained by the association for the equity interest unless the fair value is less than the consideration paid to or retained by the association.

(3) Any member of an agricultural association who exercises the right to dissent from an association action described in RCW 23.86.135 shall be entitled to payment of the member's equity interest on the same time schedule that would have applied if membership in the association had been terminated.

(4) Subsection (3) of this section does not apply to agricultural associations that are involved in an action under subsection (3) of this section before June 9, 1994: (a) As to the associations that were involved in the particular action; (b) for three years after June 9, 1994.

(5) A member of a rural electric association is not entitled to dissent from, nor obtain payment of, the fair value of the member's share in a merger to which the association is a party, if all members of the association have the right to continue their membership status in the surviving association on substantially similar terms.

**--- END ---**