
SENATE BILL 6492

State of Washington

53rd Legislature

1994 Regular Session

By Senators M. Rasmussen and Newhouse

Read first time 01/25/94. Referred to Committee on Agriculture.

1 AN ACT Relating to agricultural associations; and amending RCW
2 23.86.007 and 23.86.145.

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

4 **Sec. 1.** RCW 23.86.007 and 1989 c 307 s 3 are each amended to read
5 as follows:

6 Unless the context clearly requires otherwise, the definitions in
7 this section apply throughout this chapter.

8 (1) "Association" means any corporation subject to this chapter.

9 (2) "Member" or "members" includes a member or members of an
10 association subject to this chapter without capital stock and a
11 shareholder or shareholders of voting common stock in an association
12 subject to this chapter with capital stock.

13 (3) "Articles of incorporation" means the original or restated
14 articles of incorporation, articles of consolidation, or articles of
15 association and all amendments including articles of merger.
16 Corporations incorporated under this chapter with articles of
17 association shall not be required to amend the title or references to
18 the term "articles of association."

1 (4) "Director," "directors," or "board of directors" includes
2 "trustee," "trustees," or "board of trustees" respectively.
3 Corporations incorporated under this chapter with references in their
4 articles of association or bylaws to "trustee," "trustees," or "board
5 of trustees" shall not be required to amend the references.

6 (5) "Agricultural association" means an association that engages in
7 any activity in connection with the marketing or selling of the
8 agricultural products of its members, or with the harvesting,
9 preserving, drying, processing, canning, packing, storing, handling,
10 shipping, or utilization thereof, or the manufacturing or marketing of
11 the byproducts thereof; or in connection with the manufacturing,
12 selling, or supplying to its members of machinery, equipment, or
13 supplies, or in the financing of these activities. In the application
14 of the definition of agricultural association, "agricultural products"
15 includes horticultural, viticultural, forestry, dairy, livestock,
16 poultry, bee, and farm products.

17 **Sec. 2.** RCW 23.86.145 and 1991 c 72 s 16 are each amended to read
18 as follows:

19 (1) Except as provided otherwise under (~~subsection (2) of this~~
20 ~~section~~) this chapter, the rights and procedures set forth in chapter
21 23B.13 RCW shall apply to a member who elects to exercise the right of
22 dissent.

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

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

--- END ---