

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6338

Chapter 228, Laws of 2016

64th Legislature
2016 Regular Session

RURAL ELECTRIC ASSOCIATION MEMBERS--RIGHT TO DISSENT FROM MERGER

EFFECTIVE DATE: 6/9/2016

Passed by the Senate March 7, 2016
Yeas 48 Nays 0

BRAD OWEN

President of the Senate

Passed by the House March 3, 2016
Yeas 97 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Approved April 1, 2016 5:00 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6338** as passed by Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

Secretary

FILED

April 4, 2016

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 6338

AS AMENDED BY THE HOUSE

Passed Legislature - 2016 Regular Session

State of Washington 64th Legislature 2016 Regular Session

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

READ FIRST TIME 01/22/16.

1 AN ACT Relating to the rights of dissenting members of
2 cooperative associations in certain mergers; and amending RCW
3 23.86.135.

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

5 **Sec. 1.** RCW 23.86.135 and 1989 c 307 s 30 are each amended to
6 read as follows:

7 (1) Except as provided in subsection (2) of this section, a
8 member of an association shall have the right to dissent from any of
9 the following association actions:

10 ~~((1))~~ (a) Any plan of merger or consolidation to which the
11 association is a party;

12 ~~((2))~~ (b) Any plan of conversion of the association to an
13 ordinary business corporation; or

14 ~~((3))~~ (c) Any sale or exchange of all or substantially all of
15 the property and assets of the association not made in the usual and
16 regular course of its business, including a sale in dissolution, but
17 not including a sale pursuant to an order of a court having
18 jurisdiction in the premises or a sale for cash on terms requiring
19 that all or substantially all of the net proceeds of the sale be
20 distributed to the members in accordance with their respective
21 interests within one year from the date of sale.

1 (2) A member of a rural electric association is not entitled to
2 dissent from a merger to which the association is a party if all
3 members of the association have the right to continue their
4 membership status in the surviving association on substantially
5 similar terms.

Passed by the Senate March 7, 2016.

Passed by the House March 3, 2016.

Approved by the Governor April 1, 2016.

Filed in Office of Secretary of State April 4, 2016.