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

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| 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** | 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  **Chief Clerk** |
| Approved April 1, 2016 5:00 PM | April 4, 2016 |
| JAY INSLEE  **Governor of the State of Washington** | **Secretary of State**  **State of Washington** |

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**SUBSTITUTE SENATE BILL 6338**

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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)

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

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

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

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

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

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

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

(2) A member of a rural electric association is not entitled to dissent from 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 ---**

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.