

ASSEMBLY BILL 327**SECTION 89**

1 **193.701 Authorization, form, and acceptance.** (1) BOARD MAY AUTHORIZE.

2 If authorized by the board, a cooperative may accept contributions, make
3 contribution agreements under s. 193.711, and make contribution rights agreements
4 under s. 193.715.

5 (2) PERMISSIBLE FORMS. A person may make a contribution to a cooperative by
6 any of the following means:

7 (a) By paying money or transferring the ownership of an interest in property
8 to the cooperative, or performing services to or for the benefit of the cooperative.

9 (b) Through a written obligation that is signed by the person and requires the
10 person to pay money or transfer ownership of an interest in property to the
11 cooperative or to perform services to or for the benefit of the cooperative.

12 (3) ACCEPTANCE OF CONTRIBUTIONS. No purported contribution is to be treated
13 as or considered to be a contribution, unless all of the following apply:

14 (a) The board accepts the contribution on behalf of the cooperative and in that
15 acceptance describes the contribution, including terms of future performance, if any,
16 and states the value being accorded to the contribution.

17 (b) The acceptance of the contribution and the contribution's accorded value are
18 both reflected in the required records of the cooperative.

19 **193.702 Valuation; presumption and liability.** The determinations of the
20 board as to a contribution's accorded value under s. 193.701 (3) (a) and the fairness
21 to the cooperative of a contribution and any terms of payment or performance
22 applicable to the contribution, the terms of any contribution agreement under s.
23 193.711, and the terms of any contribution rights agreement under s. 193.715 are
24 presumed to be proper if the determinations are made in good faith and on the basis
25 of methods that are reasonable under the circumstances. Directors who are present

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1 and entitled to vote, and who, intentionally or without reasonable investigation, fail
2 to vote against approving a consideration that is unfair to the cooperative, or who
3 overvalue property or services received or to be received by the cooperative as a
4 contribution, are jointly and severally liable to the cooperative for the benefit of the
5 members then existing who did not consent to and are damaged by the consideration
6 or overvaluing of property or services, to the extent of the damages to those members.
7 A director against whom a claim is asserted pursuant to this section, except in a case
8 of knowing participation in a deliberate fraud, is entitled to contribution on an
9 equitable basis from other directors who are liable under this section.

10 **193.705 Restated value of previous contributions. (1) DEFINITION.** In this
11 section, “old contributions” means all contributions reflected in the required records
12 of a cooperative immediately before the time the cooperative accepts a new
13 contribution.

14 **(2) RESTATEMENT REQUIRED.** If a cooperative accepts a new contribution, the
15 board shall restate the value of all old contributions.

16 **(3) RESTATEMENT METHOD FOR SAME SERIES OR CLASS. (a)** Unless otherwise
17 provided in the articles or bylaws, the board shall restate the value of old
18 contributions of the same series or class of the new contribution by following all of
19 the following steps in numerical order:

- 20 1. State the value accorded to the new contribution under s. 193.701 (3) (a).
- 21 2. Determine what the total value will be, after the restatement under this
22 subsection, of all contributions of same series or class as the new contribution.
- 23 3. Subtract the value stated under subd. 1. from the value determined under
24 subd. 2., yielding the total value, after the restatement under this subsection, of all
25 the old contributions of the particular series or class.

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1 4. Subtract the value, as reflected in the required records before the
2 restatement under this subsection, of the old contributions from the value
3 determined under subd. 3., yielding the value to be allocated among and added to the
4 old contributions of the particular series or class.

5 5. Allocate the value determined under subd. 4. proportionally among the old
6 contributions of the particular series or class, add the allocated values to the values
7 of those old contributions, and change the required records accordingly.

8 (b) The values determined under par. (a) 4. and allocated and added under par.
9 (a) 5. may be positive, negative, or zero.

10 **(4) RESTATEMENT METHOD FOR DIFFERENT SERIES OR CLASS.** Unless otherwise
11 provided in the articles or bylaws, the board shall restate the value of old
12 contributions of a series or class different from that of the new contribution by
13 following all of the following steps in alphanumerical order:

14 (a) Determine the percentage by which any restatement under sub. (3) has
15 changed the total contribution value reflected in the required records for the series
16 or class of the new contribution.

17 (b) As to each old contribution of a different series or class, change the value
18 reflected in the required records by the percentage determined under par. (a). The
19 percentage determined under par. (a) may be positive, negative, or zero.

20 **(5) AGGREGATING NEW CONTRIBUTIONS.** If a cooperative accepts more than one
21 new contribution of the same series or class at the same time, then for the purpose
22 of the restatement required by this section the board may consider all such new
23 contributions as if they were a single contribution.

24 **193.711 Contribution agreements. (1g) CONTRIBUTION AGREEMENTS**
25 **PERMITTED.** Pursuant to s. 193.701 (1), a cooperative and a member or potential

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1 member may enter into an agreement requiring the member or potential member to
2 contribute goods, services, or money to the cooperative as a condition of membership
3 or receipt of a membership interest.

4 (1r) SIGNED WRITING REQUIRED. A contribution agreement shall be in writing
5 and signed by each person required to make a contribution under the agreement.

6 (2) AGREEMENT IRREVOCABLE FOR DEFINITE PERIOD; EXCEPTIONS. A contribution
7 agreement is irrevocable for a period of 6 months, unless otherwise provided in the
8 contribution agreement or unless each person required to make a contribution under
9 the agreement and, if in existence, the cooperative, consents to a different period of
10 irrevocability.

11 (3) TIME OF PERFORMANCE UNDER AGREEMENT. Unless the contribution
12 agreement provides otherwise, all payments or other actions required under the
13 agreement shall be made or taken at the time or times determined by the board,
14 except that a call made by the board for a person to make a payment or perform an
15 action required under the agreement shall be uniform for all membership interests
16 of the same class or series.

17 (4) FAILURE TO PERFORM; REMEDIES. (a) Unless the contribution agreement
18 provides otherwise, if a person fails to make a payment required under the
19 contribution agreement, the cooperative may bring an action for breach of contract,
20 sell any membership interests that are subject to the contribution agreement
21 pursuant to par. (b) and bring an action to collect any deficiency, or cancel the
22 contribution agreement pursuant to par. (c). If a person fails to make a required
23 contribution of property or services, the person shall pay to the cooperative an
24 amount equal to that portion of the value of the contribution that has not been made,
25 as stated in the cooperative's required records.

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1 (b) To the extent provided in par. (a), the cooperative may cancel the
2 membership interests of any person who defaults on a contribution agreement and
3 sell any membership interests that are subject to a contribution agreement if the
4 amount due under the contribution agreement relating to those membership
5 interests remains unpaid for a period of 20 days after the cooperative gives written
6 notice of demand for payment to the person required to make the payment. The total
7 offering price of the membership interests in such a sale shall be at least the amount
8 of the balance owed by the person, plus the expenses incidental to the sale. If
9 membership interests are sold pursuant to this paragraph, the cooperative shall pay
10 to the person, or that person's legal representative, the lesser of the following:

11 1. The amount by which the proceeds of the sale, less the expenses incident to
12 the sale and any additional amounts the person is required to pay under the terms
13 of the contribution agreement as a result of the default, exceeds the amount of the
14 payment the person failed to make.

15 2. The total amount paid by the person under the contribution agreement.

16 (c) To the extent provided in par. (a), the cooperative may cancel a contribution
17 agreement if the amount due under the contribution agreement remains unpaid for
18 a period of 20 days after the cooperative gives written notice of demand for payment
19 to the person required to make the payment. Unless the contribution agreement
20 provides otherwise, if the cooperative cancels a contribution agreement pursuant to
21 this paragraph, the cooperative may retain any payments made as provided in the
22 contribution agreement.

23 **(5) RESTRICTIONS ON ASSIGNMENT.** Unless the articles or bylaws provide
24 otherwise, a person may not assign, in whole or in part, that person's rights under

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1 a contribution agreement to a person who is not a member at the time of the
2 assignment, unless all the members consent to the assignment in writing.

3 **193.715 Contribution rights agreements. (1) CONTRIBUTION RIGHTS**
4 **AGREEMENTS PERMITTED.** Pursuant to s. 193.701 (1) and subject to any restrictions in
5 the articles or bylaws, a cooperative may enter into an agreement that provides a
6 person rights to contribute goods, services, or money to the cooperative.

7 **(2) WRITING REQUIRED; TERMS INCLUDED BY REFERENCE.** A contribution rights
8 agreement shall be in writing. Terms of the agreement may be included by reference.

9 **(3) RESTRICTIONS ON ASSIGNMENT.** Unless the articles or bylaws provide
10 otherwise, a person may not assign, in whole or in part, that person's rights under
11 a contribution rights agreement to a person who is not a member at the time of the
12 assignment, unless all the members consent to the assignment in writing.

13 **193.721 Allocations of profits and distributions of cash and other**
14 **assets. (1) ALLOCATION OF PROFITS AND LOSSES.** Except as otherwise provided in this
15 subsection and the articles or bylaws, profits and losses shall be allocated between
16 patron membership interests collectively and nonpatron membership interests
17 collectively on the basis of the value of contributions received from patron
18 membership interests collectively and nonpatron membership interests collectively.
19 The allocation of profits to patron membership interests collectively in a fiscal year
20 may not be less than 51 percent of the total profits for that fiscal year, except that the
21 allocation of profits to patron membership interests collectively in a fiscal year may
22 not be less than 30 percent of the total profits for that fiscal year if any of the following
23 apply:

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1 (a) The articles were amended to provide for the reduced percentage and,
2 notwithstanding s. 193.221 (1) and (3), the amendment was approved by the
3 affirmative vote of the patron members.

4 (b) The bylaws provide for the reduced percentage and were approved by an
5 affirmative vote of the patron members.

6 (c) The bylaws were amended to provide for the reduced percentage and the
7 amendment was approved by the affirmative vote of the patron members.

8 **(2) DISTRIBUTION OF CASH OR OTHER ASSETS.** If not stated in the articles, the
9 bylaws shall prescribe the distribution of cash or other assets of the cooperative
10 among the membership interests of the cooperative. Unless the articles or bylaws
11 provide otherwise, the cooperative shall distribute cash or other assets to patron
12 membership interests collectively and nonpatron membership interests collectively
13 on the basis of the value of contributions received by the cooperative from patron
14 membership interests collectively and nonpatron membership interests collectively.
15 The distributions to patron membership interests collectively in any fiscal year may
16 not be less than 51 percent of the total distributions for that fiscal year, except that
17 distributions to patron membership interests collectively in a fiscal year may not be
18 less than 30 percent of the total distributions for that fiscal year if any of the following
19 apply:

20 (a) The articles provide for the reduced percentage and that provision was not
21 included in the articles via amendment under s. 193.221 (3).

22 (b) The bylaws provide for the reduced percentage and were adopted by an
23 affirmative vote of the members.

24 (c) The bylaws were amended to provide for the reduced percentage and the
25 amendment was adopted by the affirmative vote of the members.

ASSEMBLY BILL 327**SECTION 89****193.725 Allocations and distributions of profits to patron members. (1)**

CAPITAL RESERVES. A cooperative may set aside any portion of profits allocated to the patron membership interests that the board determines is advisable for the purpose of creating or maintaining a capital reserve.

(2) OTHER RESERVES. The board may do any of the following with regard to profits allocated to the patron membership interests:

(a) Set aside an amount not to exceed 5 percent of the annual profits of the cooperative for promoting and encouraging cooperative organization.

(b) Establish and accumulate reserves for new buildings, machinery and equipment, depreciation, losses, and other proper purposes.

(3) PATRONAGE DISTRIBUTIONS. Profits allocated to patron members in excess of dividends on equity and additions to reserves shall be allocated and distributed to patron members on the basis of patronage and, if the bylaws provide, to nonmember patrons as so provided. A cooperative may establish allocation units and pooling arrangements and may account for and distribute profits to patrons on the basis of allocation units and pooling arrangements. A cooperative may offset the losses of an allocation unit or pooling arrangement against the profits of other allocation units or pooling arrangements.

(4) FREQUENCY OF DISTRIBUTION. A cooperative shall make distributions under sub. (3) at least annually.

(5) FORM OF DISTRIBUTION. A cooperative may make distributions under sub. (3) in the form of cash, capital credits, allocated patronage equities, revolving fund certificates, or its own or other securities.

(7) PATRONAGE CREDITS FOR INELIGIBLE MEMBERS. If a nonmember patron with patronage credits is not qualified or eligible for membership, the cooperative may

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1 credit to the nonmember patron's account a refund due to the nonmember patron.
2 The board may issue a certificate of interest to reflect any such credit and, after the
3 board issues such a certificate, the patron may receive distributions of profits in the
4 same manner as a patron member.

5 **193.731 Member control agreements. (1) AUTHORIZATION AND EXECUTION.**

6 Except as otherwise provided in this subsection, any person who has entered into a
7 contribution agreement under s. 193.711 or an agreement to purchase cooperative
8 securities, or any member, may enter into a written agreement with the cooperative
9 that relates to the control of or the liquidation, dissolution, or termination of the
10 cooperative, or any phase of the business and affairs of the cooperative. Such an
11 agreement may not take effect unless signed by all persons who are then members
12 and all persons who have entered into contribution agreements. An agreement
13 under this subsection may not relate to patron member voting control under s.
14 193.545 or patron member allocation and distribution provisions under s. 193.721.

15 **(2) SAME EFFECT AS ARTICLES AND BYLAWS.** Wherever this chapter provides that
16 a particular result may or shall be obtained through a provision in the articles or
17 bylaws, the same result may be accomplished through a provision in an agreement
18 under sub. (1) or a procedure established in such an agreement.

19 **(3) OTHER AGREEMENTS NOT AFFECTED.** This section does not limit the authority
20 of persons to enter into agreements otherwise valid, nor is the procedure set forth in
21 this section the exclusive method of agreement among members or between the
22 members and the cooperative with respect to any of the matters described.

23 **193.735 Distribution of unclaimed property. (1) ALTERNATE PROCEDURE TO**
24 **DISTRIBUTE PROPERTY.** Notwithstanding s. 177.17 (4) (a) 2. and (b), a cooperative may
25 distribute any property required to be reported under s. 177.17 (1) to an entity that

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1 is exempt from taxation under section 501 (a) of the Internal Revenue Code. A
2 cooperative making a distribution under this subsection shall file all of the following
3 with the state treasurer before making the distribution:

4 (a) A verified written description and explanation of the distribution.

5 (c) The name, address, and exemption number of the entity to which the
6 property is to be distributed.

7 (d) The approximate date of the distribution.

8 **(2) REPORTING PROCEDURE NOT AFFECTED.** Subsection (1) does not affect the
9 requirement that a cooperative report property under s. 177.17 (1).

10 **(3) OWNER'S RIGHT EXTINGUISHED ON DISBURSEMENT.** The articles or bylaws may
11 provide that a distribution under sub. (1) extinguishes all rights of the owner in and
12 to the distributed property.

13 **SUBCHAPTER VIII**

14 **MERGER AND CONSOLIDATION**

15 **193.801 Merger and consolidation.** (1) **AUTHORIZATION.** Unless otherwise
16 prohibited and except as otherwise provided in this subsection, a cooperative may
17 merge or consolidate with a business entity by complying with this section and the
18 applicable law of the jurisdiction under whose laws the surviving business entity will
19 be organized. A cooperative may not merge or consolidate with a business entity
20 organized under the laws of this state, other than an association, unless the law
21 governing the business entity specifically authorizes merger or consolidation with
22 a cooperative.

23 (2) **PLAN.** To initiate a merger or consolidation, the board shall prepare a
24 written plan stating all of the following:

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1 (a) The name of the cooperative and each business entity that is party to the
2 merger or consolidation.

3 (b) The name of the business entity that will survive the merger or
4 consolidation.

5 (c) The manner and basis of converting membership or ownership interests in
6 the cooperative and each business entity that is party to the merger or consolidation
7 into membership or ownership interests in the surviving business entity, money, or
8 other property.

9 (d) The terms of the merger or consolidation.

10 (e) The proposed effect of the merger or consolidation on the members of each
11 association that is party to the merger or consolidation.

12 (f) For a consolidation, the contents of the articles or other organizational
13 documents of the surviving business entity which will be filed with the jurisdiction
14 in which the surviving business entity is organized.

15 **(3) NOTICE.** (a) The board shall give notice of the merger or consolidation to
16 each member. The notice shall contain all of the following:

17 1. The full text of the plan under sub. (2).

18 2. The time and place of the meeting at which the plan will be considered.

19 (b) A cooperative with more than 200 members may provide the notice in the
20 same manner as notice of a regular members' meeting.

21 **(4) ADOPTION OF PLAN; ARTICLES OF MERGER OR CONSOLIDATION.** (a) If a quorum
22 of the members eligible to vote is registered as being present or represented by
23 alternative vote at the meeting specified in the notice under sub. (3), the plan of
24 merger or consolidation may be adopted by the following means, as applicable:

25 1. By a majority of the votes cast.

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1 2. For a cooperative with articles or bylaws requiring more than majority
2 approval or other conditions for approval, by a sufficient vote as required under the
3 articles or bylaws or by satisfying the other conditions for approval.

4 (b) If a plan is adopted under par. (a), the chairperson, vice-chairperson,
5 records officer, or documents officer of each association that is party to the merger
6 or consolidation shall execute articles of merger or consolidation which state the plan
7 and the fact that the plan was adopted. The business entity surviving the merger
8 or consolidation shall file the articles of merger with the department. If the business
9 entity surviving the merger or consolidation is organized under the laws of this state,
10 the department shall issue a certificate of organization to the business entity.

11 **193.805 Merger of subsidiary or parent.** (1) WHEN AUTHORIZED; PLAN OF
12 MERGER. (a) Except as otherwise provided in this paragraph, a parent cooperative
13 that owns at least 90 percent of the outstanding ownership interests of each class and
14 series of a subsidiary business entity, other than ownership interests that, absent
15 this section, would not be entitled to vote on a merger, may merge the subsidiary into
16 the parent or the parent into the subsidiary without a vote of the members of the
17 parent or the members of the subsidiary by complying with this section and the
18 applicable law of the jurisdiction under whose laws the business entity surviving the
19 merger will be organized. Except as otherwise provided in this paragraph, a parent
20 cooperative that owns at least 90 percent of the outstanding ownership interests of
21 each class and series of 2 or more subsidiary business entities, other than ownership
22 interests that, absent this section, would not be entitled to vote on a merger, may
23 merge the subsidiaries into one another without a vote of the members of the parent
24 or the members of the subsidiaries by complying with this section and the applicable
25 law of the jurisdiction under whose laws the business entity surviving the merger

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1 will be organized. This paragraph does not permit a cooperative to merge with a
2 business entity organized under the laws of this state, other than an association,
3 unless the law governing the business entity specifically authorizes merger with a
4 cooperative.

5 (b) To initiate a merger under par. (a), the board shall prepare a written plan
6 stating all of the following:

7 1. The name of each subsidiary that is party to the merger, the name of the
8 parent, and the name of the business entity surviving the merger.

9 2. Except as provided in subd. 3., the manner and basis of converting
10 membership or ownership interests in the parent and each subsidiary that is party
11 to the merger, as applicable, into membership or ownership interests in the surviving
12 business entity, money, or other property.

13 3. If the parent is party to the merger but is not the surviving business entity
14 and if the surviving business entity is a cooperative, a provision for the pro rata
15 issuance of membership interests of the surviving business entity to the holders of
16 membership interests in the parent on surrender of any certificates for shares of the
17 parent.

18 4. If the surviving business entity is a subsidiary cooperative, a statement of
19 any amendments to the articles of the surviving business entity that will be part of
20 the merger.

21 (c) If the parent is party to the merger but is not the surviving business entity,
22 the plan under par. (b) shall be approved by the affirmative vote of the holders of a
23 majority of the voting power of all membership interests of the parent entitled to vote
24 at a regular or special meeting.

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1 (2) NOTICE. No later than 10 days after the effective date of the merger, the
2 board of the parent shall give notice of the merger, including a copy of the plan of
3 merger, to each member of each subsidiary that is party to the merger.

4 (3) ARTICLES OF MERGER. The board of the parent shall file with the department
5 articles of merger, signed by the chairperson or his or her designee, containing all of
6 the following:

7 (a) The plan of merger.

8 (b) The number of outstanding membership interests of each class and series
9 of each subsidiary that is party to the merger, other than the classes or series that,
10 absent this section, would not be entitled to vote on a merger, and the number of such
11 membership interests owned by the parent.

12 (c) A statement that the plan of merger has been approved by the parent under
13 this section.

14 (5) CERTIFICATE. If the business entity surviving the merger is organized under
15 the laws of this state, the department shall issue a certificate of organization to the
16 business entity upon receipt of the articles of merger.

17 (6) RIGHTS OF DISSENTING OWNERS. If, immediately prior to a merger under this
18 section, a business entity that is party to the merger is owned, at least in part, by
19 persons other than the parent or an affiliate of the parent, those persons have
20 dissenters' rights under the law governing that business entity's organization.

21 (7) NONEXCLUSIVITY. Mergers authorized under sub. (1) (a) may instead be
22 accomplished under s. 193.801, in which case this section does not apply.

23 **193.807 Effective date; effect of merger or consolidation.** (1) EFFECTIVE
24 DATE. Unless a later date is provided in the plan of merger or consolidation or is

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1 required under other applicable law, a merger or consolidation is effective when the
2 articles of merger or consolidation are filed with the department.

3 (2) EFFECT OF MERGER OR CONSOLIDATION. All of the following occur when a
4 merger or consolidation takes effect:

5 (a) All business entities that are party to the merger or consolidation become
6 the business entity surviving the merger or consolidation, as designated in the plan,
7 and the separate existence of every business entity that is party to the merger or
8 consolidation, except the business entity surviving the merger or consolidation,
9 ceases.

10 (b) The title to all property owned by each business entity that is party to the
11 merger or consolidation is vested in the surviving business entity without reversion
12 or impairment.

13 (c) If, under the laws applicable to a business entity that is a party to the merger
14 or consolidation, one or more of the owners thereof is liable for the debts and
15 obligations of such business entity, such owner or owners shall continue to be liable
16 for the debts and obligations of the business entity, but only for such debts and
17 obligations accrued during the period or periods in which such laws are applicable
18 to such owner or owners. This paragraph does not affect liability under any taxation
19 laws.

20 (d) If, under the laws applicable to the surviving business entity, one or more
21 of the owners thereof is liable for the debts and obligations of such business entity,
22 the owner or owners of a business entity that is party to the merger, other than the
23 surviving business entity, who become subject to such laws shall be liable for the
24 debts and obligations of the surviving business entity to the extent provided in such
25 laws, but only for such debts and obligations accrued after the merger or

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1 consolidation. The owner or owners of the surviving business entity prior to the
2 merger shall continue to be liable for the debts and obligations of the surviving
3 business entity to the extent provided in par. (c). This paragraph does not affect
4 liability under any taxation laws.

5 (e) The surviving business entity has all liabilities of each business entity that
6 is party to the merger or consolidation.

7 (f) A civil, criminal, administrative, or investigatory proceeding pending by or
8 against any business entity that is a party to the merger or consolidation may be
9 continued as if the merger or consolidation did not occur, or the surviving business
10 entity may be substituted in the proceeding for the business entity whose existence
11 ceased.

12 (g) The articles or other similar governing document of the surviving business
13 entity shall be amended to the extent provided in the plan.

14 (h) The interests of each business entity that is party to the merger that are to
15 be converted into shares, interests, obligations, or other securities of the surviving
16 business entity or any other business entity or into cash or other property are
17 converted, and the former holders of the interests are entitled only to the rights
18 provided in the articles of merger or consolidation to their dissenters' rights under
19 the laws applicable to each business entity that is party to the merger.

20 **193.835 Abandonment of merger. (1) AUTHORITY AND PROCEDURE.** A merger
21 may be abandoned before it takes effect by any of the following means:

22 (b) An abandonment may be approved at a meeting by the affirmative vote of
23 the holders of a majority of the voting power of the membership interests of each
24 cooperative that is party to the merger who are entitled to vote on the approval of the
25 plan of merger, except that the board of a cooperative that is party to the merger may

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1 approve the abandonment if no members of that cooperative are entitled to vote. In
2 addition to the other requirements of this paragraph, if a business entity other than
3 a cooperative is party to the merger, an abandonment may only be approved by
4 taking any actions to approve the abandonment that are required by the laws under
5 which the business entity is organized.

6 (c) An abandonment may be approved as provided in the plan of merger.

7 (d) An abandonment may be approved by adoption, by the board of any
8 cooperative that is party to the merger, of a resolution abandoning the merger,
9 subject to the contract rights of any other person under the plan of merger. If a
10 business entity other than a cooperative is party to the merger, an abandonment may
11 be approved by a resolution of the governing body of the business entity adopted
12 according to the laws under which the business entity is organized, subject to the
13 contract rights of any other person under the plan of merger.

14 (2) ARTICLES OF ABANDONMENT. The board or other governing body of any
15 business entity that approves an abandonment under sub. (1) shall file with the
16 department articles of abandonment that contain all of the following:

17 (a) The names of the business entities that were party to the proposed merger.

18 (b) The provisions under sub. (1) under which the proposed merger is
19 abandoned.

20 (c) If the proposed merger is abandoned under sub. (1) (d), the text of the
21 resolution approving the abandonment.

22 SUBCHAPTER IX

23 DISSOLUTION

24 **193.905 Voluntary dissolution; winding up.** (1) NOTICE OF DISSOLUTION.

25 To initiate a voluntary dissolution the board shall file with the department a notice

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1 of intent to dissolve. The board may not file a notice under this subsection unless the
2 notice is approved by affirmative vote of the members.

3 **(1m) COLLECTION AND PAYMENT OF DEBTS.** After a notice is filed under sub. (1),
4 the board shall proceed as soon as possible to collect, or make provision for the
5 collection of, all unpaid subscriptions for shares and all other debts owing to the
6 cooperative and pay, or make provision for the payment of, all debts, obligations, and
7 liabilities of the cooperative according to the priority accorded to the debts,
8 obligation, and liabilities, by law.

9 **(2) TRANSFER OF ASSETS.** After a notice is filed under sub. (1), the board may
10 lease or dispose of all or substantially all of the property and assets of the cooperative
11 without a vote of the members.

12 **(3) DISTRIBUTION TO MEMBERS AND FORMER MEMBERS.** Any property of the
13 cooperative remaining after discharge of the cooperative's debts, obligations, and
14 liabilities may be distributed to the members and former members as provided in the
15 bylaws.

16 **(4) UNCLAIMED ASSETS.** (a) If the articles or bylaws so provide, assets
17 distributable in the course of the dissolution of a cooperative that remain unclaimed
18 as provided in this paragraph may be forfeited to the cooperative in the manner set
19 forth in s. 185.03 (10), except that the board, a committee designated by the board
20 to liquidate the cooperative's assets, or a court, trustee, or other person authorized
21 to liquidate the assets of the cooperative may declare the funds forfeited, give the
22 notice, determine the purpose or purposes, and dedicate the funds as provided under
23 s. 185.03 (10) and except that any of these persons may declare the funds forfeited
24 no earlier than 2 years and no later than 5 years after the funds are first made
25 available to their owners in the course of the liquidation of the cooperative.

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1 (b) Assets distributable in the course of the dissolution of a cooperative that are
2 not forfeited under par. (a) shall be reported and delivered to the state treasurer as
3 provided under ch. 177.

4 (5) ARTICLES OF DISSOLUTION. After payment of all debts, obligations, and
5 liabilities of the cooperative has been made or provided for as required under sub.
6 (1m) and the remaining property of the cooperative has been distributed as provided
7 under sub. (3) or otherwise disposed of under sub. (4), the board shall file with the
8 department articles of dissolution. The articles of dissolution shall state all of the
9 following, as applicable:

10 (a) That all debts, obligations, and liabilities of the cooperative have been paid
11 or adequate provisions have been made for their payment or time periods during
12 which claims may be made against the cooperative have expired and no other claims
13 are outstanding.

14 (b) That the remaining assets of the cooperative have been distributed to the
15 members, pursuant to a liquidation authorized by the members, or as provided under
16 sub. (4).

17 (c) That legal, administrative, or arbitration proceedings by or against the
18 cooperative are not pending or adequate provision has been made for the satisfaction
19 of a judgment, order, or decree that may be entered against the cooperative in such
20 a pending proceeding.

21 (6) EFFECTIVE DATE. A cooperative is dissolved upon the filing of the articles of
22 dissolution as required under sub. (5).

23 (7) CERTIFICATE. Upon accepting articles of dissolution for filing, the
24 department shall issue to the dissolved cooperative or its legal representative a
25 certificate of dissolution that contains all of the following:

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1 (a) The name of the dissolved cooperative.

2 (b) The date the articles of dissolution were filed with the department.

3 (c) A statement that the cooperative is dissolved.

4 **193.911 Revocation of dissolution proceedings. (1) AUTHORITY TO REVOKE.**

5 Dissolution proceedings under s. 193.905 may be revoked before the articles of
6 dissolution are filed with the department as required under s. 193.905 (5).

7 **(2) REVOCATION BY MEMBERS.** The chairperson may call a members' meeting to
8 submit to the members the question of revoking dissolution proceedings under s.
9 193.905. The dissolution proceedings are revoked if the proposed revocation is
10 approved at the members' meeting by a majority of the votes cast or, for a cooperative
11 with articles or bylaws requiring more than majority approval or other conditions for
12 approval, by a sufficient vote as required under the articles or bylaws or by satisfying
13 the other conditions for approval.

14 **(3) FILING WITH THE DEPARTMENT.** The chairperson of the board or the records
15 officer shall file with the department a notice of revocation promptly after the
16 revocation is approved as provided under sub. (2). The revocation is effective upon
17 filing of the notice under this subsection.

18 **193.925 Court-supervised voluntary dissolution.** After a notice of intent
19 to dissolve is filed as required under s. 193.905 (1) and before a certificate of
20 dissolution is issued under s. 193.905 (7), the cooperative or, for good cause shown,
21 a member or creditor of the cooperative may petition the circuit court for the county
22 where the registered address of the cooperative is located to have the dissolution
23 conducted under the supervision of the court. Section 193.905 does not apply to a
24 dissolution conducted under the supervision of the court under this section. Section
25 193.911 applies to a dissolution conducted under the supervision of the court under

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1 this section. The court may grant equitable relief that it deems appropriate in a
2 dissolution conducted under its supervision under this section, if the supervision
3 resulted from an application by the cooperative.

4 **193.931 Involuntary dissolution. (1) CAUSES OF ACTION.** (a) A member may
5 bring an action against a cooperative for dissolution, liquidation, and equitable relief
6 if any of the following apply:

7 1. The directors or the persons having the authority otherwise vested in the
8 board are deadlocked in the management of the cooperative's affairs and the
9 members are unable to break the deadlock.

10 2. The directors or those in control of the cooperative have acted fraudulently,
11 illegally, or in a manner unfairly prejudicial toward one or more members in their
12 capacities as members, directors, or officers.

13 3. For a period that includes the time when 2 consecutive regular members'
14 meetings were held, the members failed to elect successors to directors whose terms
15 expired or would have expired upon the election and qualification of their successors.

16 4. The cooperative's assets are being misapplied or wasted.

17 5. The cooperative's period of duration as provided in the articles has expired
18 and has not been lawfully extended.

19 (b) A creditor may bring an action against a cooperative for dissolution,
20 liquidation, and equitable relief if any of the following apply:

21 1. The creditor has obtained a money judgment against the cooperative and an
22 execution on that judgment has been returned unsatisfied.

23 2. The cooperative has admitted in writing that a claim of the creditor against
24 the cooperative is due and owing and that the cooperative is unable to pay its debts
25 in the ordinary course of business.

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1 (c) Except as provided in sub. (1m), the attorney general may bring an action
2 against a cooperative for dissolution and liquidation, and for equitable relief for
3 persons other than the attorney general, if any of the following apply:

4 1. The articles and certificate of organization of the cooperative were procured
5 through fraud.

6 2. The cooperative was organized for a purpose prohibited by state law or not
7 permitted by this chapter.

8 3. The cooperative has knowingly, with intentional disregard of the harm that
9 the provision is intended to avert, violated a provision of this chapter, has violated
10 a provision of this chapter more than once, or has violated more than one provision
11 of this chapter.

12 4. The actions of the cooperative, or its failure to act, constitutes surrender or
13 abandonment of the business of the cooperative.

14 **(1m) NOTICE TO COOPERATIVE BY ATTORNEY GENERAL.** The attorney general may
15 not commence an action under sub. (1) (c) until 30 days after giving notice to the
16 cooperative of the reason for the action. If the reason for the action is an act that the
17 cooperative has done or failed to do and the act or omission may be corrected by
18 amending the articles or bylaws or by performing or abstaining from the act, the
19 attorney general shall give the cooperative 30 additional days to make the correction
20 before filing the action. If the cooperative makes the correction before the expiration
21 of the 30 additional days, the attorney general may not bring an action under sub.
22 (1) (c) based upon that act or omission.

23 **(2) FINANCIAL CONDITION OF COOPERATIVE.** In determining whether to order a
24 remedy in an action under sub. (1), the court shall consider the financial condition

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1 of the cooperative. The court may not refuse to order a remedy solely on the ground
2 that the cooperative has accumulated operating profits or current operating profits.

3 (3) ALTERNATIVE REMEDIES. In deciding whether to order dissolution in an action
4 under sub. (1), the court shall consider whether other relief suggested by one or more
5 parties would permanently remedy the cause of the action and, if so, may order such
6 other relief.

7 (4) EXPENSES. If the court finds that a party to an action under sub. (1) has acted
8 arbitrarily, vexatiously, or in bad faith, the court may award reasonable expenses,
9 including attorney fees and disbursements, to any of the other parties.

10 (5) VENUE. An action under sub. (1) shall be brought in the circuit court for the
11 county where the registered address of the cooperative is located.

12 (6) PARTIES. It is not necessary to make members parties to an action under sub.
13 (1).

14 **193.935 Procedure in involuntary or court-supervised voluntary**
15 **dissolution.** (1) ACTION BEFORE HEARING. In a dissolution conducted under the
16 supervision of a court under s. 193.925 or in any action under s. 193.931 (1) the court
17 may take any of the following actions before an initial hearing is completed:

18 (a) Issue injunctions.

19 (b) Appoint receivers temporarily, until the conclusion of a hearing under sub.
20 (2), with all powers and duties that the court directs.

21 (c) Take actions required to preserve the cooperative's assets wherever located.

22 (d) Carry on the business of the cooperative.

23 (2) APPOINTMENT OF RECEIVER. In a dissolution conducted under the supervision
24 of a court under s. 193.925 or in any action under s. 193.931 (1) the court may appoint
25 a receiver after a hearing is completed, following notice to the parties as directed by

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1 the court. The receiver shall collect the cooperative's assets and amounts owing to
2 the cooperative by subscribers on account of an unpaid portion of the consideration
3 for the issuance of shares. Subject to the order of the court, the receiver may continue
4 the business of the cooperative and lease or dispose of the property and assets of the
5 cooperative at public or private sale.

6 **(3) DISTRIBUTION OF ASSETS.** In a dissolution conducted under the supervision
7 of a court under s. 193.925 or in any action under s. 193.931 (1), the court shall apply
8 the assets of the cooperative and the proceeds resulting from the lease or disposition
9 of the cooperative's property by following all of the following steps, in alphanumerical
10 order:

11 (a) Applying the assets and proceeds to cover attorney fees and disbursements
12 made in connection with the proceedings and the other costs and expenses of the
13 proceedings.

14 (b) Applying the assets and proceeds to cover debts, taxes, and assessments
15 owing to the United States, this state, and other states, in that order.

16 (c) Applying the assets and proceeds to cover worker's compensation claims for
17 which the cooperative is liable under ch. 102, except that this paragraph does not
18 apply to a claim if, at the time of injury, as defined in s. 102.01 (2) (g), the cooperative
19 had in force a policy of worker's compensation insurance as required under s. 102.28
20 (2) (a).

21 (d) Applying the assets and proceeds to cover claims of employees for services
22 performed within 3 months preceding the appointment of the receiver, if any.

23 (e) Applying the assets and proceeds to cover other claims proved and allowed.

24 (f) Distributing the assets and proceeds to the members or pursuant to a
25 liquidation plan approved by the members.

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1 **193.941 Receiver qualifications and powers.** (1) **QUALIFICATIONS.** A
2 receiver appointed under s. 193.935 (1) or (2) shall be an individual, a domestic
3 business entity, or a foreign business entity authorized to transact business in this
4 state and shall give a bond as directed by the court with the sureties required by the
5 court.

6 (2) **POWERS.** A receiver may bring and defend suits.

7 **193.951 Filing claims in involuntary or court-supervised voluntary**
8 **dissolution proceedings.** (1) **FILING UNDER OATH.** In a dissolution conducted under
9 the supervision of a court under s. 193.925 or in any action under s. 193.931 (1), the
10 court may require all creditors and claimants of the cooperative to file their claims,
11 under oath and in a form prescribed by the court, with the court or with a receiver
12 appointed under s. 193.935 (1) or (2).

13 (2) **DATE TO FILE A CLAIM; NOTICE.** If the court requires the filing of claims in a
14 dissolution conducted under the supervision of a court under s. 193.925 or in any
15 action under s. 193.931 (1), the court shall do all of the following:

16 (a) Set a date at least 120 days after the date the order is filed, as the last day
17 for the filing of claims.

18 (b) Prescribe a notice of the fixed date that shall be given to creditors and
19 claimants.

20 (3) **CLAIMS BARRED; EXTENSION OF TIME FOR FILING.** The court may prohibit any
21 person who fails to file a claim before the date established under sub. (2) (a) from
22 claiming an interest in or receiving payment out of the property and assets of the
23 cooperative. At any time before the date established under sub. (2) (a), the court may
24 extend the time for filing claims beyond the date established under sub. (2) (a).

1 **193.955 Discontinuance of court-supervised dissolution proceedings.**

2 A dissolution conducted under the supervision of a court under s. 193.925 or any
3 action under s. 193.931 (1) may be discontinued at any time during the dissolution
4 proceedings if it is established that cause for dissolution does not exist. The court
5 shall dismiss the proceedings and direct the receiver appointed under s. 193.935 (1)
6 or (2), if any, to deliver to the cooperative its remaining property and assets.

7 **193.961 Order of dissolution.** (1) ISSUANCE; EFFECTIVE DATE. After
8 distribution of a cooperative's assets and proceeds under s. 193.935 (3), the court
9 shall issue an order dissolving the cooperative. The dissolution is effective upon
10 issuance of the order.

11 (2) FILING. After the court issues an order under sub. (1), the court shall file
12 a certified copy of the order with the department. The department may not charge
13 a fee for filing the order.

14 **193.971 Barring of claims.** (1) CLAIMS BARRED. Except as provided in s.
15 193.951 (3), a creditor or claimant who does not file a claim or bring an action during
16 the pendency of the dissolution proceedings or has not brought an action before the
17 commencement of the dissolution proceedings, and all those claiming through or
18 under the creditor or claimant, are forever barred from bringing an action to collect
19 on that claim or otherwise enforcing it, except as provided in this section.

20 (2) CERTAIN CLAIMS ALLOWED FOR GOOD CAUSE. Except as provided in s. 193.951
21 (3), within one year after the date on which the articles of dissolution are filed under
22 s. 193.905 (5) or an order of dissolution is issued under s. 193.961, a creditor or
23 claimant who shows good cause for not having previously filed the claim may apply
24 to the circuit court to allow a claim against the cooperative's undistributed assets or,
25 if the undistributed assets are not sufficient to satisfy the claim, against a person to

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1 the extent of the distributions received by that person in the dissolution by virtue of
2 that person's status as a member.

3 (3) CERTAIN OMITTED CLAIMS ALLOWED. A person to whom is owed a debt,
4 obligation, or liability incurred during an action under s. 193.931 (1), but who is not
5 paid before the distribution of assets and proceeds under s. 193.935 (3) (f), may bring
6 an action to recover on the claim against the officers, directors, or members of the
7 cooperative before the expiration of the applicable statute of limitations.

8 **SECTION 91.** 196.01 (10) of the statutes is amended to read:

9 196.01 (10) "Telecommunications utility" means any person, corporation,
10 company, cooperative, unincorporated cooperative association, partnership,
11 association and lessees, trustees or receivers appointed by any court that owns,
12 operates, manages or controls any plant or equipment used to furnish
13 telecommunications services within the state directly or indirectly to the public.
14 "Telecommunications utility" does not include a telecommunications carrier.

15 **SECTION 92.** 196.02 (2) of the statutes is amended to read:

16 196.02 (2) DEFINITION; CLASSIFICATION. In this subsection, "public utility" does
17 not include a telecommunications cooperative, an unincorporated
18 telecommunications cooperative association, or a small telecommunications utility
19 except as provided under s. 196.205 or 196.215 (2) and does not include an alternative
20 telecommunications utility. The commission shall provide for a comprehensive
21 classification of service for each public utility. The classification may take into
22 account the quantity used, the time when used, the purpose for which used, and any
23 other reasonable consideration. Each public utility shall conform its schedules of
24 rates, tolls and charges to such classification.

25 **SECTION 94.** 196.09 (1) of the statutes is amended to read:

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1 196.09 (1) In this section, “public utility” does not include a
2 telecommunications cooperative or an unincorporated telecommunications
3 cooperative association except as provided under s. 196.205. In subs. (2) to (7),
4 “public utility” does not include a telecommunications utility. Subsection (9) only
5 applies to a telecommunications utility. Every public utility shall file with the
6 commission, within such time as may be required by the commission, its estimate of
7 the annual rate of depreciation required for each of its classes of fixed capital used
8 for public utility purposes, and of the composite annual rate of depreciation required
9 for such fixed capital as an aggregate, which shall constitute the public utility’s
10 estimates of the amount which should be returned to it out of its rates for service, to
11 meet the depreciation of its property.

12 **SECTION 95.** 196.11 (2) of the statutes is amended to read:

13 196.11 (2) Any arrangement under this section shall be under the supervision
14 and regulation of the commission. The commission may order any rate, charge or
15 regulation which the commission deems necessary to give effect to the arrangement.
16 The commission may make any change in a rate, charge or regulation as the
17 commission determines is necessary and reasonable and may revoke its approval
18 and amend or rescind all orders relative to any arrangement. This subsection does
19 not apply to telecommunications cooperatives, unincorporated telecommunications
20 cooperative associations, or telecommunications utilities.

21 **SECTION 96.** 196.20 (3) of the statutes is amended to read:

22 196.20 (3) Except as provided in subs. (1m) and (5) (a), this section does not
23 apply to telecommunications cooperatives, unincorporated telecommunications
24 cooperative associations, or small telecommunications utilities unless made subject
25 to this section under s. 196.205 or 196.215 (2).

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1 **SECTION 98.** 196.205 (1m) of the statutes is amended to read:

2 196.205 (1m) A telecommunications cooperative or an unincorporated
3 telecommunications cooperative association may elect to be subject to ss. 196.28 and
4 196.37 as they apply to any rate, toll or charge and to ss. 196.02 (2), 196.09 (1), 196.11
5 (2), 196.20 and 196.26 in any of the following ways:

6 (a) By amendment of the articles of incorporation of the cooperative under s.
7 185.51 or the articles of organization of the association under s. 193.221.

8 (c) By a majority of the voting members of the board of directors of the
9 cooperative or association.

10 **SECTION 99.** 196.205 (2) of the statutes is amended to read:

11 196.205 (2) Notwithstanding sub. (1m), a telecommunications cooperative or
12 an unincorporated telecommunications cooperative association shall be subject to s.
13 196.26 if it is a party in a proceeding on a complaint specified in s. 196.26 (1) (b) or
14 (c).

15 **SECTION 100.** 196.26 (4) (a) of the statutes is amended to read:

16 196.26 (4) (a) This section does not apply to any rate, toll, charge or schedule
17 of any telecommunications cooperative or unincorporated telecommunications
18 cooperative association, except as provided under s. 196.205 or unless at least 5% of
19 the customers of the telecommunications cooperative or association file a complaint
20 with the commission that the rate, toll, charge or schedule is in any respect
21 unreasonable, insufficient or unjustly discriminatory.

22 **SECTION 101.** 196.28 (4) of the statutes is amended to read:

23 196.28 (4) This section does not apply to rates, tolls or charges of a
24 telecommunications cooperative, an unincorporated telecommunications

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1 cooperative association, or a small telecommunications utility except as provided in
2 s. 196.205 or 196.215 (2).

3 **SECTION 102.** 196.37 (4) of the statutes is amended to read:

4 196.37 (4) This section does not apply to rates, tolls or charges of a
5 telecommunications cooperative, an unincorporated telecommunications
6 cooperative association, or a small telecommunications utility except as provided in
7 s. 196.205 or 196.215 (2).

8 **SECTION 117.** 196.50 (2) (b) of the statutes is amended to read:

9 196.50 (2) (b) A certificate, franchise, license or permit, indeterminate or
10 otherwise, in effect on September 1, 1994, for a telecommunications utility shall
11 remain in effect and shall have the effect of a certificate of authority. A
12 telecommunications utility is not required to apply for a new certificate of authority
13 to continue offering or providing service to the extent of the prior authorization. Each
14 telecommunications utility, including telecommunications cooperatives and
15 unincorporated telecommunications cooperative associations, shall have on file with
16 the commission under s. 196.19 a tariff that sets forth the rates, terms and conditions
17 for all services provided and a map that defines the geographical limits of the service
18 territory that the telecommunications utility is obliged to serve.

19 **SECTION 120.** 196.605 (1) of the statutes is amended to read:

20 196.605 (1) A public utility which is a cooperative association incorporated
21 under ch. 185 or 193 to furnish telecommunications service in rural areas on a
22 nonprofit basis with a telecommunications utility financed in part through a loan
23 from the United States under the rural electrification act of 1936, 7 USC 901 to
24 950aaa-5, as amended, may require each of its local service telecommunications
25 patrons to deposit with the association the amount of the membership fee or other

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1 form of capital representing the proportional share of the total equity capital of the
2 association required as a condition of federal financing. The membership fee or other
3 form of equity capital attributable to each local service patron may be collected by
4 the association in installments in connection with billings for service. The required
5 deposits of equity capital shall be segregated in the billing from service charges and
6 shall be credited when received on the membership or equity capital account of the
7 patron.

8 **SECTION 123.** 196.807 (1) (a) of the statutes is amended to read:

9 196.807 (1) (a) “Affiliate or utility” means a nonutility affiliate, holding
10 company system, public utility or cooperative association organized under ch. 185 or
11 193.

12 **SECTION 126.** 199.03 (12) of the statutes is amended to read:

13 199.03 (12) “Public utility” means any person, except a town, village, city or
14 sanitary district, who owns, operates, manages or controls any plant or equipment
15 or any part of a plant or equipment, within the state for the production, transmission,
16 delivery or furnishing of heat, light, water, telecommunications service or power
17 either directly or indirectly to or for the public. “Public utility” includes any person
18 engaged in the transmission or delivery of natural gas for compensation within this
19 state by means of pipes or mains. “Public utility” does not include a cooperative
20 association organized under ch. 185 for the purpose of generating, distributing, or
21 furnishing electric energy to its members only, or a cooperative organized under ch.
22 185 or 193 for the purpose of generating, distributing or furnishing
23 telecommunications service or electric energy to its members only.

24 **SECTION 127.** 201.01 (3) (d) of the statutes is amended to read:

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1 201.01 (3) (d) Any securities issued by a corporation organized under ch. 185
2 or 193 for the purpose of furnishing telecommunications service in rural areas.

3 **SECTION 128.** 223.105 (1) (b) of the statutes is amended to read:

4 223.105 (1) (b) “Organization” means any corporation, unincorporated
5 cooperative association, limited liability company, association, partnership or
6 business trust, other than a national bank, state or federal savings and loan
7 association, state or federal savings bank or federal credit union or other than a
8 corporation, limited liability company, association or partnership, all of whose
9 shareholders or members are licensed under SCR 40.02.

10 **SECTION 129.** 231.35 (2) (b) of the statutes is amended to read:

11 231.35 (2) (b) A cooperative organized under ch. 185 or 193 that consists of one
12 or more rural hospitals, each with no more than 100 beds.

13 **SECTION 130.** 234.59 (1) (d) 3. of the statutes is amended to read:

14 234.59 (1) (d) 3. A dwelling unit in a condominium ~~or~~ a cooperative, or an
15 unincorporated cooperative association, together with an interest in common areas,
16 if the unit is or will be the principal residence of an applicant.

17 **SECTION 131.** 234.622 (7) of the statutes is amended to read:

18 234.622 (7) “Qualifying dwelling unit” means a dwelling unit, not including a
19 mobile home as defined in s. 66.0435, located in this state, habitable as a permanent
20 residence and to which property taxes or special assessments are, or may
21 conveniently be, allocated and up to one acre of land appertaining to it held in the
22 same ownership as the dwelling unit. For purposes of ss. 234.621 to 234.626,
23 “qualifying dwelling unit” includes a unit in a condominium or in a cooperative or an
24 unincorporated cooperative association or in a multi-unit dwelling with 4 or fewer
25 units, but in all of these 3 cases only the portion of taxes or special assessments

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1 allocable to the unit lived in by the participant may qualify for loans under ss.
2 234.621 to 234.626.

3 **SECTION 137.** 421.301 (28) of the statutes is amended to read:

4 421.301 (28) “Organization” means a corporation, government or
5 governmental subdivision or agency, trust, estate, limited liability company,
6 partnership, cooperative or association other than a cooperative organized under ch.
7 185 or 193 which has gross annual revenues not exceeding \$5 million.

8 **SECTION 138.** 445.01 (8) of the statutes is amended to read:

9 445.01 (8) “Person” includes firm, corporation, partnership, cooperative,
10 unincorporated cooperative association, and association of individuals.

11 **SECTION 139.** 445.12 (3) (a) of the statutes is amended to read:

12 445.12 (3) (a) The solicitation of memberships or the sale of stock or
13 memberships in any association organized under ch. 185 or 193 by any person who
14 is not a licensed funeral director.

15 **SECTION 140.** 551.22 (12) of the statutes is amended to read:

16 551.22 (12) Any securities of a cooperative corporation organized under ch. 185
17 or 193.

18 **SECTION 141.** 560.16 (1) (c) (intro.) of the statutes is amended to read:

19 560.16 (1) (c) (intro.) “Employee–owned business” means a business located in
20 this state which is organized in a manner determined by the secretary to involve
21 substantial employee participation or a cooperative organized under ch. 185 or 193
22 or a corporation in which the employees own the stock of the corporation through an
23 employee stock ownership plan as defined under 26 USC 4975 (e) (7) and in which:

24 **SECTION 142.** 560.17 (1) (b) of the statutes is amended to read:

25 560.17 (1) (b) “Business” includes cooperatives organized under ch. 185 or 193.

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SECTION 143

1 **SECTION 143.** 560.9801 (1) (b) of the statutes is amended to read:

2 560.9801 (1) (b) A nonprofit cooperative organized under ch. 185 or 193.

3 **SECTION 144.** 560.9801 (3) (a) 7. of the statutes is amended to read:

4 560.9801 (3) (a) 7. If the housing is owned and occupied by members of a
5 cooperative or an unincorporated cooperative association, fees paid to a person for
6 managing the housing.

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7 **SECTION 145.** 560.9804 (2) (e) of the statutes is amended to read:

8 560.9804 (2) (e) A cooperative organized under ch. 185 or 193, if the articles of
9 incorporation, articles of organization, or bylaws of the cooperative limit the rate of
10 dividend that may be paid on all classes of stock.

11 **SECTION 146.** 609.01 (2) of the statutes is amended to read:

12 609.01 (2) "Health maintenance organization" means a health care plan
13 offered by an organization established under ch. 185 or 193, 611, 613 or 614 or issued
14 a certificate of authority under ch. 618 that makes available to its enrollees, in
15 consideration for predetermined periodic fixed payments, comprehensive health
16 care services performed by providers participating in the plan.

17 **SECTION 147.** 609.01 (4) of the statutes is amended to read:

18 609.01 (4) "Preferred provider plan" means a health care plan offered by an
19 organization established under ch. 185 or 193, 611, 613, or 614 or issued a certificate
20 of authority under ch. 618 that makes available to its enrollees, without referral and
21 for consideration other than predetermined periodic fixed payments, coverage of
22 either comprehensive health care services or a limited range of health care services,
23 regardless of whether the health care services are performed by participating or
24 nonparticipating providers.

25 **SECTION 148.** 616.09 (1) (c) 1. of the statutes is amended to read:

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as affected by 2005 Wisconsin Act 179

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616.09 (1) (c) 1. Plans authorized under s. 616.06 are subject to ch. 185 or 193, as applicable, except that ss. 185.03 (5) and (6), 185.05 (1) (c), 185.55, 185.61, 185.62, 185.63, 185.64, 185.71 to 185.76 and, 185.81, 193.151, 193.215 (2) (a) 2., 193.225, 193.301 (9), 193.801, 193.805, 193.905 to 193.971, and those provisions applicable to cooperatives or unincorporated cooperative associations with stock do not apply.

SECTION 149. 706.05 (2m) (b) 2. of the statutes is amended to read:

706.05 (2m) (b) 2. Descriptions of property that is subject to liens granted on property thereafter acquired by a rural electric cooperative organized under ch. 185, or a telephone cooperative, organized under ch. 185 or 193, by a pipeline company under s. 76.02 (5), by a public utility under s. 196.01 (5) or by a railroad under s. 195.02 (1) or (5).

SECTION 151. 815.18 (2) (c) of the statutes is amended to read:

815.18 (2) (c) "Debtor" means an individual. "Debtor" does not include an association, a corporation, a partnership, a cooperative, an unincorporated cooperative association, or a political body.

SECTION 152. 893.28 (2) of the statutes is amended to read:

893.28 (2) Continuous use of rights in real estate of another for at least 10 years by a domestic corporation organized to furnish telegraph or telecommunications service or transmit heat, power or electric current to the public or for public purposes, or by a cooperative association organized under ch. 185 or 193 to furnish telegraph or telecommunications service, or by a cooperative organized under ch. 185 to transmit heat, power or electric current to its members, establishes the prescriptive right to continue the use, except as provided by s. 893.29. A person who has established a prescriptive right under this subsection may commence an action to establish prescriptive rights under ch. 843.

