

1985 Assembly Bill 185

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1985 Wisconsin Act 30

AN ACT to renumber 185.01 (1) and 185.21 (1) to (7); to renumber and amend 185.61, 185.71 (3) and (4) and 185.75; to amend 185.01 (5), 185.05 (1) (j), 185.07, 185.11 (1), 185.12 (3), 185.13 (4), 185.14, 185.15 (1), 185.31 (1), (3) and (5), 185.35 (1), 185.45 (4) (b), 185.47 (1), 185.51 (2), 185.52 (1) and (3), 185.53 (1) (d) and (e), 185.63 (3), 185.71 (1) (a) and (b) and 185.93 (1) (b); to repeal and recreate 185.03 (10), 185.05 (1) (k), 185.12 (4) and (5) and 185.54 (2); and to create 177.015, 181.485, 185.01 (1), (1m), (1r) and (6m), 185.033, 185.037, 185.21 (1), 185.35 (1m), 185.47 (3), 185.52 (2) (g), 185.61 (2) to (5), 185.62 (1m), 185.71 (3) and (6), 185.75 (1) and 185.83 (1) (g) of the statutes, relating to revision of the laws governing cooperative associations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 177.015 of the statutes is created to read:

177.015 Exemption. Notwithstanding this subchapter, a cooperative organized under ch. 185 may effect the forfeiture to the cooperative of unclaimed funds as provided in ss. 185.03 (10) and 185.75 (1).

SECTION 2. 181.485 of the statutes is created to read:

181.485 Conversion of cooperative. A cooperative organized without capital stock may elect to convert itself to a nonstock corporation by adopting and filing restated articles of incorporation in the manner required under ch. 185. The restated articles of incorporation shall conform to the requirements of s. 181.31 and shall contain a statement that the cooperative elects to convert itself to a corporation subject to this chapter. The election to become a corporation subject to this chapter is effective upon the filing of the restated articles of incorporation.

SECTION 3. 185.01 (1) of the statutes is renumbered 185.01 (1g).

SECTION 4. 185.01 (1), (1m), (1r) and (6m) of the statutes are created to read:

185.01 (1) "Articles" means the articles of incorporation of a cooperative unless the context otherwise requires.

(1m) "Board" means the board of directors of a cooperative.

(1r) "Bylaws" means the bylaws of a cooperative.

(6m) "Patronage" means business done by a patron with a cooperative and, if the bylaws provide, labor performed for a cooperative by a patron.

SECTION 5. 185.01 (5) of the statutes is amended to read:

185.01 (5) "Member" means a person who has been qualified and accepted for membership in an association. If a cooperative has one or more classes of members not entitled to vote, "member" or "members", as used in this chapter with respect to the right of a member to vote, voting procedure, the required proportion of member votes, actions that must or may be taken by members, the number of members required for a quorum and the eligibility of directors, means a member or members entitled to vote, unless the bylaws provide otherwise.

SECTION 6. 185.03 (10) of the statutes is repealed and recreated to read:

185.03 (10) Effect the forfeiture to the cooperative of unclaimed funds, including all forms of distributions or credits under s. 185.45 (2) (b) and (c), (3) (a) and (b) and (4) (b) and unclaimed stock, membership fees and deposits, if all of the conditions under pars. (a) to (e) are met. Subsequent to a forfeiture under this subsection, the owner of the forfeited funds may submit a claim to the board and if the board determines that the person owned the funds at the time of the forfeiture, it shall refund the funds to the person.

(a) No earlier than 3 years and no later than 5 years after the funds are first made available to their owners, the board declares the funds forfeited to the cooperative unless claimed by the date specified in par. (b).

(b) After the declaration under par. (a), the cooperative gives notice that states that the funds shall be forfeited if not claimed by a specified date.

(c) The date specified in the notice under par. (b) is a business day at least 60 days after the date of mailing of the notice.

(d) The notice under par. (b) is mailed to the last-known address of each owner and is published as a class 1 notice under ch. 985 on or before the date of mailing in a newspaper published in the municipality containing the service area of the cooperative.

(e) The cooperative dedicates any funds remaining unclaimed after the date specified in par. (b) to educational purposes, limited to providing scholarships or loans to students, or to charitable purposes, as the board determines, within one year after the date the funds are declared forfeited under par. (a). In this paragraph, educational purposes does not include political purposes as defined in s. 11.01 (16).

SECTION 7. 185.033 of the statutes is created to read:

185.033 Restriction on changes to articles. (1) If the articles contain a prohibition on changes to the provision establishing the basis of distribution as provided in s. 185.05 (1) (j), no changes may be made to the provision including by amendment under s. 185.51 or 185.52, approval of a plan of division under s. 185.63, adoption of restated articles under s. 185.54, approval of a plan of merger or consolidation under s. 185.61 and conversion to a nonstock corporation under s. 181.485.

(2) If, upon dissolution of a cooperative with articles containing a prohibition on changes in the basis of distribution, the distributions required are wholly or partly impossible of execution, the whole or part of the net proceeds shall be distributed as provided in s. 185.71 (3).

SECTION 8. 185.037 of the statutes is created to read:

185.037 Indemnification of officers, directors, employes and agents. (1) If an individual incurs expenses including attorney fees, costs, fines, forfeitures, money judgments or settlement payments as a result of being made a party or being threatened to be made a party to any civil, criminal, administrative, investigative or other legal or equitable action, including a threatened, pending or completed action, because of the individual's service at any time as an officer, director, employe or agent for a cooperative or, at the request of the cooperative, for another entity, the cooperative shall indemnify the individual after the final resolution of the action, or all parts of the action which concern the individual, for actual and reasonable expenses incurred if any of the following applies:

(a) The individual has not been made liable for any fine, forfeiture, money judgment or settlement payment, has not been made subject to an injunctive remedy or a criminal conviction, and has not entered a plea of guilty or no contest.

(b) A court or other official tribunal so orders.

(c) A determination is made as provided in sub. (2) that the individual's conduct that was the subject of the action was undertaken in good faith with the reasonable belief that the conduct was in the best interests of the cooperative or not opposed to the cooperative's best interests and with no reasonable cause to believe that the conduct was unlawful.

(2) (a) In making a determination concerning the individual's conduct under sub. (1) (c), the fact that the individual has been made liable for fines, forfeitures, money judgments or settlement payments, has been made subject to an injunctive remedy or a criminal conviction, or has entered a plea of guilty or no contest does not create a presumption that the individual's conduct did not comply with the standard of conduct set forth in sub. (1) (c).

(b) A determination that an individual's conduct complied with the standard set forth in sub. (1) (c) shall be made as follows:

1. The board, by a majority vote of a quorum of the board, shall make the determination or shall direct that the determination be made as provided in subd. 2 or shall direct that it be made as provided in subd. 3. For purposes of this subdivision, a director who was or is a party or threatened to be made a party to the action may not be counted in calculating a quorum and may not vote if a quorum is obtained. If a quorum cannot be obtained, the determination shall be made as provided in subd. 3.

2. If the majority vote of a quorum under subd. 1 directs, the members, by a majority vote of a quorum of the members, shall make the determination. For purposes of this subdivision, a member who was or is a party or threatened to be made a party to the action may not be counted in calculating a quorum and may not vote if a quorum is obtained. If a quorum cannot be obtained, the determination shall be made as provided in subd. 3.

3. If the majority vote of a quorum under subd. 1 directs, or if a quorum cannot be obtained under subd. 1 or if a quorum cannot be obtained under subd. 2, the determination shall be made by written opinion of independent legal counsel.

(3) A cooperative may pay the expenses incurred by an individual under sub. (1) in advance of the final resolution of the action or all parts of the action concerning the individual if the board, by a majority vote of a quorum of the board, elects to do so and if the board receives an undertaking by or on behalf of the individual to repay the cooperative unless the individual is indemnified under this section. For purposes of this subsection, a director who was or is a party or threatened to be made a party to the same action may not be counted in calculating a quorum and may not vote if a quorum is obtained.

(4) A cooperative may purchase insurance that covers expenses incurred by an individual under sub. (1) regardless of whether the individual could be indemnified for the expenses under this section.

(5) The receipt of indemnification by an individual under this section does not affect any other rights to which an individual is entitled under the articles or bylaws, by any vote of the directors or members, by agreement with a cooperative or by law or rule.

(6) The right of an individual to receive indemnification under this section survives the individual.

SECTION 9. 185.05 (1) (j) of the statutes is amended to read:

185.05 (1) (j) The basis of distribution of assets in the event of upon liquidation and, if changes in the basis of distribution are to be prohibited, a statement that this provision may not be changed and a reference to the restriction under s. 185.033.

SECTION 10. 185.05 (1) (k) of the statutes is repealed and recreated to read:

185.05 (1) (k) The complete address, including street number, city, town or village, county and zip code of its principal office or the name and complete address, including street number, city, town or village, county and zip code of its registered agent.

SECTION 11. 185.07 of the statutes is amended to read:

185.07 Bylaws. (1) ~~The initial bylaw of a co-operative bylaws~~ may be adopted by the temporary board. Thereafter, bylaws may be adopted and amended only by the members, unless the members adopt a bylaw which permits the board to make and amend specified bylaws.

(2) Any bylaw adopted or amended by the board shall be reported at the next regular member meeting. Any such bylaw shall be at any time subject to amendment or repeal by the members.

(3) Unless the bylaws provide otherwise, any bylaw may be adopted, amended or repealed by a majority of the ~~members present~~ member votes cast at a meeting.

SECTION 12. 185.11 (1) of the statutes is amended to read:

185.11 (1) ~~A co-operative may~~ All cooperatives shall be organized on a membership basis with no capital stock, or ~~may shall~~ be organized on a membership basis with capital stock.

SECTION 13. 185.12 (3) of the statutes is amended to read:

185.12 (3) Voting by proxy shall not be allowed in any ~~co-operative, except the bylaws may provide for representation of members by delegates apportioned territorially. A delegate shall cast the votes to which members represented by him are entitled~~ cooperative.

SECTION 14. 185.12 (4) and (5) of the statutes are repealed and recreated to read:

185.12 (4) (a) The bylaws may provide for representation of members by delegates apportioned territorially or by other districts or units. The bylaws shall specify either that a delegate may cast only one vote or that a delegate may cast one vote for each member represented by the delegate.

(b) The procedures set forth in this chapter for voting by members apply to voting by delegates, except as provided in all of the following:

1. If any delegate who may cast only one vote is permitted to vote on a matter, only delegates may vote on that matter.

2. If delegates may cast only one vote, in calculating the required proportion of votes on a matter, the number of delegate votes shall be used, but the number of delegates required for a quorum shall be as specified in the bylaws.

3. If the bylaws provide for representation of members by delegates who may cast one vote for each member represented by the delegate, in calculating the required proportion of votes on a matter and the number of delegates required for a quorum, the number of members represented by each delegate shall be used.

(5) (a) Members entitled to vote on a motion but absent from the meeting at which the vote is taken may vote only as follows:

1. If a cooperative provides ballots for the vote on the motion to the members together with notice of the meeting at which the vote will be taken and exact copies of the motion and any resolution to which it pertains, an absent member may vote on the motion by submitting a signed ballot. If a signed ballot has been submitted on a motion under this subdivision, neither the motion nor any resolution to which it pertains may be amended.

2. If a cooperative makes available ballots for the vote on the motion together with exact copies of the motion and any resolution to which it pertains to any member entitled to vote on the motion, but does not comply fully with the requirements of subd. 1, an absent member may vote on the motion by submitting a signed ballot. However, the motion and any resolution to which it pertains may be amended at the meeting, and, if the motion or resolution is amended, the ballot is void. The ballot may not be counted on any motion to amend or adopt as amended the motion or resolution.

(b) The bylaws may provide for voting on the election or removal of directors by signed ballots. Signed ballots may not be used for this purpose unless the bylaws authorize and prescribe the procedure for their use.

SECTION 15. 185.13 (4) of the statutes is amended to read:

185.13 (4) Written notice, stating the place, day and hour, and in case of a special member meeting the purposes for which the meeting is called, shall be given not less than 7 nor more than 30 days before the meeting at the direction of the person calling the meeting. Notice need be given only to members entitled to vote. Notice shall be given to members having limited voting rights if they have or may have the right to vote at the meeting.

SECTION 16. 185.14 of the statutes is amended to read:

185.14 Quorum. (1) A quorum at a member meeting shall be 10 ~~per cent~~ % of the first 100 members plus 5 ~~per cent~~ % of additional members, ~~present in person or represented by delegate.~~

(2) Unless the bylaws fix a larger number of members to constitute a quorum and except as provided in the bylaws in accordance with s. 185.12 (4) (b) 2, a quorum shall never be more than 50 members nor less than 5 members or a majority of all members, whichever is smaller. Members represented by signed ~~vote~~ ballots may be counted in computing a quorum only on those ~~questions as to motions for which the signed vote is taken~~ ballots were submitted.

SECTION 17. 185.15 (1) of the statutes is amended to read:

185.15 (1) Whenever notice is required by this chapter to be given to any person, ~~such the~~ notice shall be given either personally or by mail. ~~If mailed, such the~~ notice is given when it is deposited or a newsletter or other publication of a cooperative or of an affiliated organization which includes the notice is deposited in the United States mail, with postage prepaid thereon, addressed to such person at his or her address as it appears on the records of the ~~co-operative~~ cooperative.

SECTION 18. 185.21 (1) to (7) of the statutes are renumbered 185.21 (2) to (8).

SECTION 19. 185.21 (1) of the statutes is created to read:

185.21 (1) A cooperative may be organized with or without capital stock.

SECTION 20. 185.31 (1), (3) and (5) of the statutes are amended to read:

185.31 (1) ~~The business and affairs of a co-operative shall be managed by a board of directors. All powers of the cooperative shall be exercised by or under authority of, and the business and affairs of a cooperative shall be managed under the direction of, the board, except as otherwise provided in this chapter.~~ Every director shall be a member or a representative of a member who is other than a natural person. The bylaws shall prescribe any other qualifications for directors and may provide that directors be from specified ~~territorial~~ districts.

(3) The directors constituting the temporary board, named in the articles, shall hold office until the first member meeting. At that meeting and thereafter, directors shall be elected by the members at a member meeting in the manner and for the terms provided in the bylaws. If the bylaws provide that directors be from specified ~~territorial~~ districts, the articles may limit voting for any director to members from within the ~~territorial~~ district from which ~~such the~~ director is to be elected. Unless the bylaws provide otherwise, a director's term of office shall be one year. Each director shall hold office for the term for which elected and

until ~~his a~~ successor takes office. The bylaws may permit selection of alternates to take the place of directors absent at a meeting of the board. Whenever any change is made in the board, the ~~co-operative~~ cooperative shall file within 20 days with the secretary of state a report showing the names and addresses of all directors.

(5) Unless the bylaws provide otherwise, any vacancy existing in the board, including any vacancy created by an increase in the number of directors, may be filled until the next annual meeting by appointment by a majority vote of the directors then in office.

SECTION 21. 185.35 (1) of the statutes is amended to read:

185.35 (1) ~~The~~ Unless the articles of incorporation provide otherwise, the principal officers of a ~~co-operative~~ cooperative are a president, one or more vice presidents as prescribed in the bylaws, a secretary and a treasurer. They shall be elected annually by the board at such time and in such manner as the bylaws provide. Upon original election and whenever any change is made in ~~such the~~ officers, the ~~co-operative~~ cooperative shall file with the secretary of state, within 20 days, a report showing the name and address of all officers. Each principal officer except the secretary and the treasurer must be a director of the ~~co-operative~~ cooperative. The offices of secretary and treasurer may be combined in one person.

SECTION 22. 185.35 (1m) of the statutes is created to read:

185.35 (1m) Any principal officer of a cooperative may be designated by a title other than those designated under sub. (1), as provided in the articles of incorporation of the cooperative. The provisions of this chapter applicable to a principal officer as designated under sub. (1) apply to the principal officer as designated according to the provisions of the articles of incorporation. Any document required or permitted by this chapter to be signed by the president, vice president, secretary or assistant secretary may be signed by such officer as may be stated in such document to correspond to the officer so required or permitted to sign.

SECTION 23. 185.45 (4) (b) of the statutes is amended to read:

185.45 (4) (b) None of the remainder shall constitute income to the ~~co-operative~~ cooperative, but all ~~thereof of it~~ shall be distributed and paid in accordance with the ratio which individual patronage bears to total patronage, either to member patrons only, to member patrons only with one or more classes receiving a lower proportion than others or to all patrons with nonmembers receiving a lower proportion than members, as the bylaws may provide. There shall be no other distinction between members and nonmembers, but distribution may be based on business done with particular departments, or in particular commodities, supplies or services, or upon classification of business according to type or nature ~~thereof~~.

SECTION 24. 185.47 (1) of the statutes is amended to read:

185.47 (1) A ~~co-operative~~ cooperative shall keep correct and complete books and records of account, and shall also keep minutes of the proceedings of meetings of its members, board and executive committee. The ~~co-operative~~ cooperative shall keep at its principal office records of the names and addresses of all members and stockholders with the amount of stock held by each, and of ownership of equity interests. At any reasonable time, any member or stockholder, or his or her agent or attorney, upon written notice stating the purposes thereof, delivered or sent to the ~~co-operative~~ cooperative at least one week in advance, may examine for a proper purpose any books or records pertinent to the purpose specified in ~~such the~~ the notice. The board may deny a request to examine books and records if the board determines that the purpose is not directly related to the business or affairs of the cooperative and is contrary to the best interests of the cooperative.

SECTION 25. 185.47 (3) of the statutes is created to read:

185.47 (3) Subject to the time, notice and purpose requirements of sub. (1), a member or stockholder of a cooperative may examine the books and records of any other cooperative or other person that is a wholly owned subsidiary of the cooperative or in which the cooperative owns a controlling interest.

SECTION 26. 185.51 (2) of the statutes is amended to read:

185.51 (2) Unless stockholders are entitled by s. 185.52 to vote on an amendment, an amendment is adopted when approved by ~~members holding~~ two-thirds of the member votes cast thereon.

SECTION 27. 185.52 (1) and (3) of the statutes are amended to read:

185.52 (1) (a) Whether or not permitted to vote by the articles, a holder of stock other than membership stock who is affected by a proposed amendment to articles shall be entitled to cast one vote on such the amendment regardless of the dollar amount of stock ~~he holds, the number of shares or the number of affected classes of stock held by him, provided that the articles may permit such affected stockholder to cast one vote for each share of stock he or she holds.~~

(b) A member holding stock affected by a proposed amendment may vote both as a member and as an affected stockholder.

(3) If stockholders are entitled to vote on an amendment, such the amendment is adopted only if all of the following conditions are met:

(a) Notice of the meeting, a an exact copy of the proposed amendment and a mail ballot thereon has been sent to each member and each affected stockholder; and,

(b) ~~Members holding two-thirds~~ Two-thirds of the member votes cast thereon approve; and,

(c) Two-thirds of the votes of affected stockholders voting cast thereon approve. ~~If stockholders are permitted by the articles to cast one vote for each share of stock they hold, the amendment shall be adopted by the holders of at least two-thirds of the shares of each class entitled to vote thereon voting at the meeting.~~

SECTION 28. 185.52 (2) (g) of the statutes is created to read:

185.52 (2) (g) Require only a majority of member votes and a majority of the votes of any stockholders entitled to vote under s. 185.61 (3) (a) for approval of a plan of merger or consolidation under s. 185.61 (2) (b) as provided in s. 185.61 (4).

SECTION 29. 185.53 (1) (d) and (e) of the statutes are amended to read:

185.53 (1) (d) The number of ~~members voting~~ member votes cast for and against ~~such the~~ the amendment.

(e) If affected stockholders have the right to vote under s. 185.52, the number of votes of affected stockholders voting cast for and against ~~such the~~ the amendment. ~~If affected stockholders voted on a share basis, then the shares of each class voting for and against the amendment.~~

SECTION 30. 185.54 (2) of the statutes is repealed and recreated to read:

185.54 (2) In lieu of the name of the cooperative and complete address of the cooperative's principal office or name and complete address of its registered agent at the time of incorporation, the restated articles shall set forth the name of the cooperative and the complete address, including street number, city, town or village, county and zip code of its principal office or name and complete address including street number, city, town or village, county and zip code of its registered agent at the time of adoption of the restated articles.

SECTION 31. 185.61 of the statutes is renumbered 185.61 (1) and amended to read:

185.61 (1) If otherwise lawful, any 2 or more associations may merge or consolidate under this chapter or under the law of the state where the surviving or new association will exist. Before a ~~co-operative~~ cooperative may merge or consolidate with any other association, a written plan of merger or consolidation shall be prepared by the board or by a committee selected by the board or the members for that purpose. Such The plan shall set forth all the terms of the merger or consolidation, including any provisions for abandonment of the plan, and the proposed effect ~~thereof of the plan~~ on all members and stockholders of the ~~co-operative~~ cooperative. In case of consolidation, the plan shall also contain the articles of the new association. ~~The members, and such stockholders as are entitled to vote thereon, shall approve the plan in the manner provided in s. 185.52 for amendments to the articles.~~

SECTION 32. 185.61 (2) to (5) of the statutes are created to read:

185.61 (2) Except as provided in sub. (4), the plan is approved if all of the following conditions are met:

(a) Notice of the meeting to vote on the plan, an exact copy of the plan and a ballot thereon have been given, in accordance with s. 185.15 (1), to all members and all stockholders entitled to vote under sub. (3) (a).

(b) Two-thirds of all member votes cast thereon approve and two-thirds of the votes of all stockholders entitled to vote under sub. (3) (a) cast thereon approve.

(3) (a) 1. Whether or not permitted to vote by the articles, each holder of stock, other than membership stock, of all consolidating cooperatives is entitled to cast one vote on the plan regardless of the dollar amount of stock, the number of shares or the number of classes of stock he or she holds.

2. Whether or not permitted to vote by the articles, each holder of stock, other than membership stock, of all cooperatives that will not be surviving cooperatives of a merger is entitled to cast one vote on the plan regardless of the dollar amount of stock, the number of shares or the number of classes of stock he or she holds.

3. Whether or not permitted to vote by the articles, each holder of stock, other than membership stock, of the cooperative that will be the surviving cooperative of a merger, is entitled to cast one vote on the plan regardless of the dollar amount of stock, the number of shares or the number of classes of stock he or she holds, only if both of the following conditions are met:

a. The articles of the surviving cooperative will be amended by the plan.

b. The holder of stock is affected by any amendment under subd. 3. a as provided in s. 185.52 (2).

(b) A member who is a holder of stock entitled to vote under par. (a) may vote both as a member and a stockholder.

(4) (a) Except as provided in par. (b) a cooperative may approve the plan as provided in subs. (2) and (3), except that a majority of member votes and a majority of the votes of any stockholders under sub. (3) (a) rather than two-thirds of those votes shall be required under sub. (2) (b) if the cooperative amends its articles or adopts restated articles to include a provision therefor.

(b) A cooperative primarily engaged in producing or furnishing electric power or energy to its members may approve a plan for merger or consolidation with a cooperative that is organized for the same purpose, as provided in par. (a). However, a plan for merger or consolidation of a cooperative primarily engaged in producing or furnishing electric power or energy to its members with a cooperative, other than a cooperative organized for the same purpose, shall require approval by two-thirds of the member votes and two-thirds of the votes of any stockholders, under sub. (3) (a), and these proportions may not be changed by amendment or restatement of the articles.

(5) After approval of a plan under this section, but before the merger or consolidation is effective, the merger or consolidation may be abandoned in accordance with any provisions for abandonment set forth in the plan of merger or consolidation.

SECTION 33. 185.62 (1m) of the statutes is created to read:

185.62 (1m) If after the filing of the articles under sub. (1), but before the merger or consolidation is effective, the merger or consolidation is abandoned, as provided in s. 185.61 (5), 2 principal officers of each merging or consolidating cooperative shall sign a certificate of abandonment stating that the merger or consolidation is abandoned and the date of abandonment, and shall seal the certificate with the seal of each cooperative. The certificate of abandonment shall be filed and recorded prior to the date the merger or consolidation would otherwise be effective, in the office of the secretary of state and in each county where the cooperatives have their principal offices or registered agents, in the manner provided in s. 185.82.

SECTION 34. 185.63 (3) of the statutes is amended to read:

185.63 (3) Articles of division shall set forth the approved plan and ~~such~~ other information as is required by s. 185.53 and shall be filed and recorded as an amendment to the articles. Each part of the plan which contains the articles of a new cooperative shall be separately filed and recorded as articles ~~of association~~ for ~~such~~ the new cooperative.

SECTION 35. 185.71 (1) (a) and (b) of the statutes are amended to read:

185.71 (1) (a) Notice that a resolution for dissolution will be considered and acted upon has been ~~given to all members and to all other persons entitled by the articles to vote thereon~~ included in the notice of meeting; and

(b) ~~Such~~ The resolution is ~~adopted~~ approved by ~~members holding~~ three-fourths of the member votes cast thereon. The articles may permit stockholders to vote on the resolution for dissolution.

SECTION 36. 185.71 (3) and (4) of the statutes are renumbered 185.71 (4) and (5), and 185.71 (4) (d), as renumbered, is amended to read:

185.71 (4) (d) A statement that all liquidation activities have been completed in compliance with law, the articles and the bylaws. If the articles contain a prohibition on changes to the provision establishing the basis of distribution as provided in s. 185.05 (1) (j), the statement shall include an accounting of all funds disbursed under sub. (2) that lists the names and complete addresses, including street address, city, town or village, county, state and zip code, of all persons receiving funds and the amounts disbursed to each.

SECTION 37. 185.71 (3) and (6) of the statutes are created to read:

185.71 (3) Any net proceeds of liquidation not subject to valid claims or owed to persons under sub. (2)

shall be distributed to one or more organizations that are either:

(a) Cooperatives with articles containing limitations on distribution of assets or payment of proceeds of liquidation equivalent to limitations in the articles of the liquidating cooperative.

(b) Organizations exempt from federal income taxation under 26 USC 501 (c) (3).

(6) Within 7 years after the date of filing under sub. (5), an action may be brought against any person to whom proceeds were distributed under sub. (2) in violation of law, the articles or the bylaws to recover the proceeds by any person entitled to the funds by law, the articles or the bylaws, in the circuit court of the county where the last principal office of the cooperative was located. If the articles contained a prohibition on changes to the provision establishing the basis of distribution as provided in s. 185.05 (1) (j), the action may be brought by the attorney general, in the name of the state upon his or her information, or, in the discretion of the attorney general, upon complaint of any person, in the Dane county circuit court.

SECTION 38. 185.75 of the statutes is renumbered 185.75 (2) and amended to read:

185.75 (2) Assets distributable in the course of the liquidation of a cooperative that remain unclaimed after one year ~~shall~~ may be reported and delivered to the state treasurer as provided under ch. 177. Assets distributable in the course of the liquidation of a cooperative that are not forfeited under sub. (1) and that remain unclaimed after 5 years shall be reported and delivered to the state treasurer under ch. 177.

SECTION 39. 185.75 (1) of the statutes is created to read:

185.75 (1) Assets distributable in the course of the liquidation of a cooperative that remain unclaimed after 2 years may be forfeited to the cooperative in the manner set forth in s. 185.03 (10), except that the board, a committee designated to liquidate the assets under s. 185.71, a court, trustee or other person authorized to liquidate the assets of the cooperative may declare the funds forfeited, give the notice, determine the purpose or purposes and dedicate the funds under s. 185.03 (10) and except that any of these persons may declare the funds forfeited no earlier than 2 years and no later than 5 years after the funds are first made available to their owners in the course of the liquidation of the cooperative.

SECTION 39m. 185.83 (1) (g) of the statutes is created to read:

185.83 (1) (g) A report of names and addresses of officers or directors, \$3.

SECTION 43. Program responsibility changes. In the sections of the statutes listed in Column A, the program responsibilities references shown in Column B are deleted and the program responsibilities references shown in Column C are inserted:

A	B	C
Statute Sections	References Deleted	References Inserted
15.251 (intro.)	none	185.71 (6)

SECTION 40. 185.93 (1) (b) of the statutes is amended to read:

185.93 (1) (b) ~~Alleges in his the complaint with particularity his or her efforts to secure from the board such the action as he or she desires. He or she shall allege further that he or she has either informed the association or board in writing of the ultimate facts of each cause of action against each director or that he or she has delivered to the association or board a copy of the complaint which he proposes to file. He shall state the reasons for his failure to obtain such action or the reasons for not making such effort no fewer than 60 days prior to filing the complaint.~~

SECTION 41. Nonstatutory provisions. The forfeiture of any unclaimed funds and of assignments and gifts to a cooperative prior to the effective date of this SECTION is valid if effected in accordance with the bylaws of the cooperative and if the bylaws required the dedication of the funds to educational or charitable purposes.

SECTION 42. Terminology changes. (1) Wherever the term "co-operative" appears in the following sections of the statutes, the term "cooperative" is substituted: 28.02 (4) (b) 5, 32.02 (10) (intro.), 32.03 (3), 71.04 (10), 71.19 (1) (b) 4, 93.06 (5) (b) and (6) (a) to (d), 103.46 (title) and (2), 134.04 (1), 182.025 (1), 185.11 (2), 185.12 (1) and (2) (b), 185.21 (2) (intro.), (4) (a) and (c), (6) and (7), as renumbered, 185.22 (2), 185.23 (1) and (2), 185.24 (title) and (1), 185.31 (2), 185.34, 185.35 (3), 185.36 (2), 185.37 (1) and (2), 185.41 (title), 185.42 (title), 185.45 (2) (a), (b) and (c), (3) (intro.), (4) (a) and (5), 185.47 (2), 185.49, 185.50, 185.51 (1), 185.52 (4), 185.53 (3), 185.55, 185.64, 185.71 (1) (intro.), 185.73 (1) (intro.), (c) and (d), (2) and (5), 185.83 (1) (intro.), 185.94, 185.96 (1), 185.97, 185.981 (5), 185.985 and 216.01.

(2) Wherever the term "co-operatives" appears in the following sections of the statutes, the term "cooperatives" is substituted: 111.01 (2), 185.23 (2) (c) and 185.96 (1), (2) and (4).

(3) Wherever the term "co-operative's" appears in the following sections of the statutes, the term "cooperative's" is substituted: 185.38 (1) (intro.) and (2), 185.47 (2), 185.53 (1) (intro.), 185.71 (4) (intro.), as renumbered, and 185.73 (2) and (4).

(4) Wherever the term "articles of association" appears in the following sections of the statutes, the term "articles" is substituted: 185.04, 185.05 (1) (intro.), 185.48 (3), 185.82 (2) (c) and 185.83 (1) (a).

SECTION 44. Cross-reference changes. In the sections of the statutes listed in Column A, the cross-references shown in Column B are changed to the cross-references shown in Column C:

A	B	C
Statute Sections	Old Cross-References	New Cross-References
185.21 (4)(b), as renumbered	sub. (2)(a)	sub. (3)(a)
185.72 (3)(b)	185.74 and 185.76	185.74 to 185.76
