



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2005 Assembly Bill 327

**Assembly Amendments 1,
2 and 6**

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Assembly Bill 327 creates chapter 193 of the statutes and authorizes the creation of a new type of business organization called an unincorporated cooperative association (UCA). The bill allows a UCA to be organized for all of the following purposes:

- To market, process, or otherwise change the form or marketability of products, including crops, livestock, and other agricultural products, to manufacture products, to accomplish other purposes that are necessary or convenient to facilitate the production or marketing of products, and to accomplish other purposes that are related to the business of the UCA;
- To provide products, supplies, and services to its members; and
- To accomplish any other lawful purpose.

Assembly Amendment 1 prohibits a UCA from being organized for the purpose of furnishing natural gas, heat, light, power, or water to its members.

Assembly Amendment 2 adds a new provision which prohibits a cooperative that is organized under current law (ch. 185, Stats.) from converting to a UCA regardless of whether the conversion is accomplished directly within Wisconsin or indirectly through or with any out-of-state entity.

Assembly Bill 327 requires a UCA to have at least one patron member, who is required to conduct business for or with the UCA in order to receive financial rights or distributions.

Assembly Amendment 6 creates an exception to this requirement. The amendment specifies that if any patron member is a natural person, a UCA must have a least five patron members who are adult, natural persons.

Legislative History

The Assembly adopted Assembly Amendments 1 and 2 on voice votes. The Assembly adopted Assembly Amendment 6 on a vote of Ayes, 95; Noes, 0. The Assembly then passed the bill, as amended, on a vote of Ayes, 71; Noes, 22.

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