

No. 608, A.]

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CHAPTER 301

AN ACT to amend 185.01 and 185.09; and to repeal and recreate 185.081 of the statutes, relating to the issuance of common stock by cooperative associations.

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

SECTION 1. 185.01 of the statutes is amended to read:

185.01 In this chapter, unless the context or subject matter otherwise requires:

(1) "Corporation" means a corporation not organized under this chapter.

(2) "Association" means a corporation organized under this chapter.

(3) "Member" means a member of an association or corporation organized without capital stock or a holder of voting common stock in an association or corporation organized with capital stock.

(4) "Cooperative basis," as applied to a corporation means that:

(a) Each member has one vote and only one vote,

(b) The rate of dividends upon stock is limited to 8 per cent,

(c) The net proceeds from the business of such corporation are distributed to the patrons in proportion to the volume of business transacted by said patrons with the corporation; provided, that deductions may be made, as required or authorized by the law of this state, or, in the case of a foreign corporation, by the law of the state of such corporation's creation.

(5) "Net proceeds" means the total proceeds minus expense of operation and cost of goods sold.

SECTION 2. 185.081 of the statutes is repealed and recreated to read:

185.081 CONTROL OF STOCK HOLDINGS. Any association organized under ch. 185 may provide for one or more classes of common stock. Such association may state in its articles whether or not each class of common stock shall be entitled to dividends. Such association may also provide for voting common stock and nonvoting common stock and may provide that its voting common stock shall be issued, sold and held only to or by the class of persons designated or described in the articles of incorporation or by-laws, and that the stockholder shall lose the power to vote if he ceases to belong to the class of persons designated or described in said articles of incorporation or by-laws. Any such association may limit the number of shares which any person may hold and may reserve to the board of directors of the association the prior option to buy for the association any stock which is offered for sale, and may reserve to said board of directors the right to recall for value any stock of any stockholder, subject to the limitation that not more than 10 per cent of the voting common stock may be recalled by the board of directors during the period intervening between any 2 regular stockholders' meetings, and subject to the further limitation that such association, upon exercising said option to buy or right to recall, shall pay for the stock at its par value; provided that no restriction upon the ownership or transfer of stock authorized by this section shall be valid unless a provision setting out the terms of such restriction is contained in the articles of incorporation of the association and printed upon the stock subscription paper, if any, and upon the stock certificate.

SECTION 3. 185.09 of the statutes is amended to read:

185.09 No member in any association organized without capital stock and no holder of stock, whether common or preferred, shall be entitled to more than one vote, but every member in an association organized without capital stock and every holder of voting common stock shall be entitled to one vote in any association; provided, that it shall be lawful for any association which is a member or voting common stockholder of any corporation or association organized * * * under ch. 185 to cast votes in such corporation or association in proportion to the number of its own members * * *

or voting common stockholders in such manner as the articles of incorporation or by-laws of the corporation or association * * * of which it is a member * * * *or voting common stockholder* may provide, but * * * unless such provision is thus made * * * the requirements of this section shall apply.

Approved June 17, 1953.
