
Wisconsin Legislative Council

ACT MEMO



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2021 Wisconsin Act 5 [2021 Senate Bill 25]

Powers of a Cooperative During an Emergency

2021 Wisconsin Act 5 provides cooperatives formed under ch. 185, Stats., with certain flexibilities to hold virtual meetings and act during emergencies. For purposes of those new provisions, the act defines “emergency” to mean “a catastrophic event that prevents a quorum of a cooperative’s directors or members from being readily assembled.” The new provisions are similar to provisions of prior law applicable to for-profit and nonprofit corporations.

The act does three things. First, it clarifies that a cooperative may hold an annual or special meeting of its members virtually, if certain procedures are followed.¹ Specifically, the act allows members of a cooperative to be deemed present and vote² by remote communication, if the cooperative implements reasonable measures to do both of the following:

- Verify that persons deemed present and voting are members.
- Provide members a reasonable opportunity to participate in the meeting and vote, including by providing an opportunity to read and hear the proceedings concurrently.

Second, the act allows cooperative boards to adopt temporary bylaws that are in effect only during an emergency, unless the cooperative’s articles of incorporation provide otherwise.

Third, the act allows a cooperative board, in anticipation of or during an emergency, to do either or both of the following:

- Change its principal place of business or provide an alternative place of business.
- Provide meeting notices only to board members who it can practically reach.

The act protects a cooperative’s directors, officers, members, employees, and agents from liability for such actions taken in anticipation of or during an emergency.

Effective date: February 27, 2021

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¹ Under prior law, retained by the act for non-emergency situations, cooperative member meetings must be held at the cooperative’s “principal office or other such place as the [cooperative’s] board may determine.” [s. 185.13 (1), Stats.] In response to the COVID-19 pandemic, the Department of Financial Institutions issued [emergency guidance](#) interpreting that statute to allow for virtual meetings. However, legal uncertainty remained regarding how the statutory provisions might be interpreted by a court.

² However, the act cooperative’s bylaws must allow for electronic voting.