

Act 493 of the 1989 Regular Session.

Act 493

SB371

By: Senator Allen

"AN ACT TO AMEND THE ARKANSAS CODE TO ALLOW USE OF THE ABBREVIATION FOR INCORPORATED IN A COOPERATIVE CORPORATION'S NAME; TO ALLOW NONRESIDENTS TO BE MEMBERS; TO ELIMINATE THE REQUIREMENT THAT ELECTED OFFICERS BE SHAREHOLDERS AND MEMBERS OF THE BOARD OF DIRECTORS; TO ELIMINATE THE LIMITATION ON THE INVESTMENT THAT CAN BE MADE IN ANOTHER COOPERATIVE CORPORATION; TO APPLY THE GENERAL CORPORATE LAWS OF ARKANSAS WHERE NOT IN CONFLICT WITH THE COOPERATIVE CORPORATION STATUTES; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code 4-30-106 is hereby amended to read as follows:

"4-30-106. Corporate title. The title of the corporation may begin with 'THE' and shall end with 'Association,' 'Company,' 'Corporation,' 'Exchange,' 'Society,' 'Union,' or 'Incorporated' or its abbreviation 'Inc.'"

SECTION 2. Arkansas Code 4-30-107 is hereby amended to read as follows:

"4-30-107. Membership - Purposes. Any number of persons, corporations or entities may associate themselves together as a cooperative corporation for the purpose of conducting any agricultural, dairy, mercantile, banking, mining, manufacturing, or mechanical business on the cooperative plan."

SECTION 3. Arkansas Code 4-30-110 is hereby amended to read as follows:

"4-30-110. Board of directors - Officers.

(a) Every association shall be managed by a board of not less than five (5) directors.

(b) The directors shall be elected by the stockholders of the association at such times and for such terms of office as the bylaws may prescribe and shall hold office for the time for which elected and until their successors are elected and shall enter upon the discharge of their duties.

(c) A majority of the stockholders shall have power at any regular or special stockholders' meeting legally called to remove any director or official for cause and fill the vacancy, and thereupon the director so removed shall cease to be a director of the association.

(d) (1) The officers of every association shall be a president, one (1) or more vice-presidents, a secretary, and a treasurer and such other officers as may be deemed necessary by the board of directors.

(2) The office of secretary and treasurer may be combined into the office of secretary-treasurer."

SECTION 4. Arkansas Code 4-30-116 is hereby amended to read as follows:

"4-30-116. An association organized or existing hereunder may organize, form, operate, own, control, have an interest in, own stock of or be a member of any corporation or association, with or without capital stock, engaged in any of the activities authorized under Subchapters 1 and 2 of Chapter 30 of Title 4 of the Arkansas Code, whether formed under this or any other act of this or any other State. This chapter permits the federation of cooperative

business enterprise in Arkansas."

SECTION 5. The provisions of the general corporation laws of this State, and all powers and rights thereunder, shall apply to the cooperative corporations created under Subchapters 1 and 2 of Chapter 30 of Title 4 of the Arkansas Code, except where such provisions are in conflict with or inconsistent with the express provisions of Subchapters 1 and 2 of Chapter 30 of Title 4 of the Arkansas Code.

SECTION 6. All laws and parts of laws in conflict with this Act are hereby repealed

SECTION 7. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 8. Emergency. It is hereby found and determined by the General Assembly that the cooperative corporation statutes of 1921 are in need of updating and an emergency is hereby declared to exist and this Act being immediatley necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: March 13, 1989

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