

CHAPTER 45

[Substitute House Bill No. 1041]

FOREIGN AGRICULTURAL COOPERATIVE ASSOCIATIONS—MARKETING
CONTRACT REQUIREMENTS

AN ACT Relating to agricultural cooperative associations; amending section 15, chapter 115, Laws of 1921 as last amended by section 4, chapter 132, Laws of 1959 and RCW 24.32-.210; amending section 72, chapter 120, Laws of 1969 ex. sess. and RCW 24.06.360; and amending section 113, chapter 53, Laws of 1965 as last amended by section 49, chapter 16, Laws of 1979 and RCW 23A.32.050.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 15, chapter 115, Laws of 1921 as last amended by section 4, chapter 132, Laws of 1959 and RCW 24.32.210 are each amended to read as follows:

The association and its members may make and execute marketing contracts, requiring the members to sell, for any period of time, all or any specified part of their agricultural products or specified commodities exclusively to or through the association or any facilities to be created by the association. Any party to such a contract shall have the right to terminate it at the end of the tenth or any subsequent year after its effective date by giving the other parties to the contract notice of termination in the manner and at the time specified by the contract, but if such contract does not provide for such notice then by giving the other parties not less than sixty days advance notice of such termination. The contract may provide that the association may sell or resell the products of its members, with or without taking title thereto; and pay over on a proportional basis or otherwise to its members the resale price, after deducting all necessary selling, overhead and other costs and expenses, including interest on preferred stock, not exceeding eight percent per annum, and reserves for retiring the stock, if any; and other proper reserves; and interest not exceeding eight percent per annum on common stock: PROVIDED, That the form of such contract shall be approved by the director of agriculture, who may require that such contract set the maximum amount of any such reserves to be deducted from the sale price of the products of the members of such association: PROVIDED, FURTHER, That in contracts involving the marketing of an annual crop, the director of agriculture may require that said contract shall contain a date upon which settlement will be made between the association and each of its members for the crop or product marketed by said association. The bylaws and the marketing contract may fix as liquidated damages specific sums to be paid by the member or stockholder to the association upon the breach by him of any provision of the marketing contract regarding the sale or delivery or withholding of products; and may further provide that the member will pay all costs, premiums for bonds, expenses and fees in case any action is legally maintained under the contract by the association; and

any such provisions shall be valid and enforceable in the courts of this state. In the event of any such breach or threatened breach of such marketing contract by a member, the association shall be entitled to an injunction to prevent the further breach of the contract, and to a decree of specific performance thereof. Pending the adjudication of such an action and upon filing a verified complaint showing the breach or threatened breach, and upon filing a sufficient bond, the association shall be entitled to a temporary restraining order and after notice and hearing, to a temporary injunction against the member.

This section applies to both (1) domestic agricultural cooperative associations organized under this chapter, and (2) foreign agricultural cooperative associations seeking a certificate of authority to conduct affairs in this state, including but not limited to those seeking such authority under chapter 24.06 RCW.

Sec. 2. Section 72, chapter 120, Laws of 1969 ex. sess. and RCW 24.06.360 are each amended to read as follows:

A foreign corporation, in order to procure a certificate of authority to conduct affairs in this state, shall make application therefor to the secretary of state, which application shall set forth:

(1) The name of the corporation and the state or country under the laws of which it is incorporated.

(2) The date of incorporation and the period of duration of the corporation.

(3) The address of the principal office of the corporation in the state or country under the laws of which it is incorporated.

(4) The address of the proposed registered office of the corporation in this state, and the name of its proposed registered agent in this state at such address.

(5) For the purpose or purposes of the corporation which it proposes to pursue in conducting its affairs in this state.

(6) The names and respective addresses of the directors and officers of the corporation.

(7) Such additional information as may be necessary or appropriate in order to enable the secretary of state to determine whether such corporation is entitled to a certificate of authority to conduct affairs in this state.

(8) For any foreign agricultural cooperative association, evidence that the association has complied with the provisions of RCW 24.32.210.

Sec. 3. Section 113, chapter 53, Laws of 1965 as last amended by section 49, chapter 16, Laws of 1979 and RCW 23A.32.050 are each amended to read as follows:

A foreign corporation, in order to procure a certificate of authority to transact business in this state, shall make application therefor to the secretary of state, which application shall set forth:

(1) The name of the corporation and the state or country under the laws of which it is incorporated.

(2) If the name of the corporation does not contain the word "corporation", "company", "incorporated", or "limited", or does not contain an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it elects to add thereto for use in this state.

(3) The date of incorporation and the period of duration of the corporation.

(4) The address of the principal office of the corporation in the state or country under the laws of which it is incorporated.

(5) The purpose or purposes of the corporation which it proposes to pursue in the transaction of business in this state.

(6) The names and respective addresses of the directors and officers of the corporation.

(7) A statement of the aggregate number of shares which the corporation has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any within a class.

(8) A statement that a registered agent has been appointed and the name and address of such agent, and that a registered office exists and the address of such registered office is identical to that of the registered agent.

(9) Such additional information as may be necessary or appropriate in order to enable the secretary of state to determine whether such corporation is entitled to a certificate of authority to transact business in this state and to determine and assess the fees payable as in this title prescribed.

(10) For any foreign agricultural cooperative association, evidence that the association has complied with the provisions of RCW 24.32.210.

Such application shall be made on forms prescribed and furnished by the secretary of state and shall be executed in duplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such application.

Such application shall be accompanied by a certificate of good standing to be certified to by the proper officer of the state or country under the laws of which it is incorporated.

Passed the House February 15, 1982.

Passed the Senate March 3, 1982.

Approved by the Governor March 22, 1982.

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