
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: S-3855.1/16

ATTY/TYPIST: LL:lcl

BRIEF DESCRIPTION: Addressing the rights of dissenting members of cooperative associations in certain mergers.

1 AN ACT Relating to the rights of dissenting members of
2 cooperative associations in certain mergers; and amending RCW
3 23.86.145.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 23.86.145 and 1994 c 206 s 2 are each amended to
6 read as follows:

7 (1) Except as provided otherwise under this chapter, the rights
8 and procedures set forth in chapter 23B.13 RCW shall apply to a
9 member who elects to exercise the right of dissent.

10 (2) The articles of incorporation of an association subject to
11 this chapter may provide that a dissenting member shall be limited to
12 a return of less than the fair value of the member's equity interest
13 in the association, but a dissenting member may not be limited to a
14 return of less than the consideration paid to or retained by the
15 association for the equity interest unless the fair value is less
16 than the consideration paid to or retained by the association.

17 (3) Any member of an agricultural association who exercises the
18 right to dissent from an association action described in RCW
19 23.86.135 shall be entitled to payment of the member's equity
20 interest on the same time schedule that would have applied if
21 membership in the association had been terminated.

1 (4) Subsection (3) of this section does not apply to agricultural
2 associations that are involved in an action under subsection (3) of
3 this section before June 9, 1994: (a) As to the associations that
4 were involved in the particular action; (b) for three years after
5 June 9, 1994.

6 (5) A member is not entitled to dissent from, nor obtain payment
7 of, the fair value of the member's share in a merger to which the
8 corporation is a party, if all members of the corporation have the
9 right to continue their membership status in the surviving
10 corporation on substantially similar terms.

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