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ENROLLED BILL

Senate Bill No. 136

(By Mr. Henshaw)

Passed February 25, 1931

In Effect from Passage

Originated in the Senate Takes effect From Passage
M. J. Hoyer Clerk of the House of Delegates.

CORRECTLY ENROLLED
Chairman House Committee
Chairman Senate Committee

ENROLLED BILL

(S. B. No. 136)

[Passed February 25, 1931; in effect from passage.]

AN ACT to amend and re-enact sections two, three, four, five and twenty-nine of article four of chapter nineteen of the official code of West Virginia, relating to cooperative and agricultural credit associations.

Be it enacted by the Legislature of West Virginia:

That sections two, three, four, five and twenty-nine of article four of chapter nineteen of the official code of West Virginia be, and they are, hereby amended and re-enacted to read as follows:

Section 2. Five or more persons engaged in the production of agricultural products may form a nonprofit, cooperative association, and/or agricultural credit association, with or without capital stock, and five or more cooperative associations may form an agricultural credit association, and/or cooperative associa-

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Chairman House Committee.

Joseph D. Smith

Chairman Senate Committee.

tion, with or without capital stock, under the provisions of this article.

Sec. 3. A cooperative association may be organized to engage in any activity in connection with the marketing or selling of the agricultural products of its members or those purchased from other persons, or with the harvesting, preserving, drying, processing, canning, packing, grading, storing, handling, shipping or utilization thereof, or the manufacturing or marketing of the by-products thereof; or in connection with the manufacturing, selling or supplying to its members of machinery, equipment or supplies; or in securing and disseminating market information; or in the financing directly, through agricultural credit associations, and/or otherwise, the above enumerated activities; or in any one or more of the activities specified herein.

An agricultural credit association may be organized hereunder to finance persons engaged in the production of agricultural products and/or to finance any cooperative association, whether formed under the laws of this or any other state.

Sec. 4. A cooperative association shall have the following powers:

(a) To engage in any activity in connection with the market-

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4 ing, selling, preserving, harvesting, drying, processing, manu-
5 facturing, canning, packing, grading, storing, handling or utili-
6 zation of any agricultural products produced or delivered to
7 it by its members or purchased or received by consignment
8 from other persons, or the manufacturing or marketing of the
9 by-products thereof; or any activity in connection with the
10 purchase, hiring, or use by its members of supplies, machinery,
11 or equipment; or in securing and disseminating market in-
12 formation; or in the financing, directly, through agricultural
13 credit associations, and/or otherwise, any such activities; or in
14 any one or more of the activities specified in this section: *Pro-*
15 *vided, however,* That all transactions with nonmembers shall be
16 on terms fixed by the association, and such nonmembers shall
17 not otherwise participate in any benefits derived from such
18 transactions;

19 (b) To borrow money without limitation as to amount of
20 corporate indebtedness or liability, and to make advance pay-
21 ments and advances to members; to execute, issue, draw, make,
22 accept, endorse, and guarantee, without limitation, promissory
23 notes, bills of exchange, drafts, warrants, certificates, mortgages,
24 and any other form of obligation or negotiable or transferable

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25 bills of any kind; to become the surety, guarantor, maker,
26 and/or endorser for accommodation or otherwise of bills, notes,
27 securities, and other evidences of debt of any association or
28 person, anything in any other statute or law of this state to the
29 contrary notwithstanding;

30 (c) To act as the agent or representative of any member or
31 members in any of the above mentioned activities;

32 (d) To purchase or otherwise acquire, and to hold, own, and
33 exercise all rights of ownership in, and to sell, transfer or
34 pledge, or guarantee the payment of dividends or interest on,
35 or the retirement or redemption of, shares of the capital stock
36 or bonds of any corporation or association engaged in any re-
37 lated activity or in the warehousing or handling or marketing
38 of any of the products handled by the association;

39 (e) To establish reserves and to invest the funds thereof in
40 bonds or in such other property as may be provided in the by-
41 laws;

42 (f) To buy, hold and exercise all privileges of ownership
43 over real or personal property as may be necessary or con-
44 venient for the conduct and operation of any of the business of
45 the association, or incidental thereto;

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46 (g) To establish, secure, own and develop patents, trade-
47 marks and copyrights;

48 (h) To do each and every thing necessary, suitable or proper
49 for the accomplishment of any one of the purposes or the
50 attainment of any one or more of the subjects herein enumer-
51 ated, or conducive to or expedient for the interest or benefit of
52 the association; and to contract accordingly; and, in addition,
53 to exercise and possess all powers, rights and privileges neces-
54 sary or incidental to the purposes for which the association is
55 organized or to the activities in which it is engaged, and any
56 other rights, powers, and privileges granted by the laws of this
57 state to ordinary corporations, except such as are inconsistent
58 with the purposes of this article; and to do any such thing any-
59 where. An agricultural credit association shall have all of the
60 powers given to a cooperative association under the provisions
61 of subdivision (b) of section four of this article and in general
62 shall have power to do and perform any act or thing, not in-
63 consistent with law, which may be appropriate to promote and
64 attain the objects and purposes of such credit association.

Sec. 5. Under the terms and conditions prescribed in the
2 by-laws adopted by it, a cooperative association may admit as

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3 members, or issue common stock to, only persons engaged in the
4 production or cooperative marketing of the agricultural prod-
5 ucts to be handled by or through the association, and any lessor
6 or landlord who receives as rent all or any part of the crop
7 raised on the leased premises; and under the terms and condi-
8 tions prescribed in the by-laws adopted by it, an agricultural
9 credit association may admit any person as a member.

10 If a member of a nonstock association be other than a natural
11 person, such member may be represented by an individual, asso-
12 ciate, officer or manager or member thereof, duly authorized in
13 writing.

14 One association organized hereunder may become a member
15 or stockholder of any other association or associations organized
16 under this article or similar laws of any state.

Sec. 29. The provisions of the general corporation laws of
2 this state and all powers and rights thereunder shall apply to
3 the associations organized under this article and may be used
4 by them, except where such provisions are in conflict with or
5 inconsistent with the express purposes of this article.

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Joseph D. Smith
Chairman Senate Committee.

Charles H. McLeod
Chairman House Committee.

J. Alfred Taylor
Speaker of the House of Delegates.

R. H. Thies
Clerk of the House of Delegates.

W. G. White
President of the Senate.

M. S. Heger
Clerk of the Senate.

The within is *approved*
this *3^d* day of *March*, 1931.

W. G. Sawyer
Governor.

Filed in the office of the Secretary of State
of West Virginia. **MAR 4 1931**
GEORGE W. SHARP,
Secretary of State.