CHAPTER 197.

AN ACT to add twenty-eight additional sections to Article 23 of the Code of Public General Laws, title, "Corporations," said sections to follow immediately after Section 468 of the said Article and to be numbered 469 to 496 inclusive, said sections relating to the formation of co-operative associations and to their powers, conduct, operation and dissolution, said sections to be known as the "Cooperative Association Law."

SECTION. 1. *Be it enacted by the General Assembly of Maryland,* That twenty-eight additional sections be added to Article 23 of the Code of Public General Laws, title, "Corporations", said sections to follow immediately after Section 468 of the said Article, and to be numbered 469 to 497 inclusive, said sections relating to the formation of co-operative associations and to their power, conduct, operation and dissolution, said sections to be known as the "Co-operative Association Law," as follows:

Section 469. The following terms, whenever used in this Act, shall be construed as follows:

(a) "Members" shall mean one who owns stock in a corporation or association organized with capital stock or one who holds a certificate of membership in a corporation or an association organized without capital stock.

(b) "Cooperative," as applied to corporations or associations shall mean that the following principles are adopted and used by such corporations or associations:

That such associations are operated for the mutual benefit of the members thereof, and conform to the following requirements:

First, That no member of the association is allowed more than one vote because of the amount of stock or membership capital he may own therein;

Second, That the association does not pay dividends on stock or membership capital in excess of 8 per cent per annum;

Third, That the association shall not deal in products or non members to an amount greater in value than such as are handled by it for members.

Fourth, Proceeds from the business of such association after payment of all necessary expenses and authorized deductions