

The directors shall then distribute all remaining net profits by a uniform dividend to members of the association based in amount upon the value of business conducted by such members with the association; provided that the association may distribute to patrons of the association who are not members bonuses based in amount upon the volume of business transacted by such patrons respectively with the association; provided further that any such dividend to a non-member may be applied to the payment of membership fees or dues for him; and, if so applied, when such fees are fully paid a membership certificate shall be issued to him; provided further that such dividends to a nonmember, if it is less than the membership fee, shall be credited to the nonmember's account during the first year and the second year, but shall revert to the reserve fund if, after two years, an amount less than the membership fee has accumulated. **]** *An association may provide in its by-laws the minimum amount of any single patronage transaction which shall be taken into account for the purpose of participation in allocation and distribution of net proceeds or savings or net losses under this section.*

(e) **]** *The members at any regular or special meeting, legally called, may instruct the directors concerning the method of apportionment of net profits to follow under the provisions of this section insofar as these provisions confer discretion upon the directors. For the purposes of this section net proceeds or savings or net losses shall be computed in accordance with generally accepted accounting principles applicable to cooperative associations, and after deducting from gross proceeds or savings all costs and expenses of operation and any dividends paid upon capital stock and interest paid upon certificates or other evidence of equity in any fund, capital investment or other assets of the association.*

372. Operation on Non-Profit Basis.

(b) Associations desiring to purchase goods or obtain or render services, within the purposes **]** *authorized in this subtitle, may **[organize under the provisions of this subtitle. Such associations may adopt] operate on a nonprofit basis in a manner, as far as applicable, similar to that described in subsection (a) of this section.***

373. Reports to State Department of Assessments and Taxation.

Every association **[organized under this subtitle]** shall annually on or before the fifteenth day of March make a report in duplicate to the **[State Tax Commission]** *Department*; such report shall contain the name of the association, its principal office and generally a statement as to its business, showing total amount of business transacted during the year, amount of capital stock subscribed for and paid in, the authorized rate of dividends on the paid-up capital stock, number of stockholders, total expenses of operation, amount of indebtedness or liabilities, and profits and losses. The **[State Tax Commission]** *Department* shall transmit one copy of such report to the State Board of Agriculture.

374. Corporations may be Converted into Cooperative Associations.

Any corporation organized under the general corporation law of