

FOR the purpose of modifying the powers of a cooperative as they relate to nonmember patrons, broadening the class of obligations in which a cooperative may invest, permitting a member of a member cooperative to serve as a director of a cooperative; and generally relating to cooperatives, their members, and their nonmember patrons.

BY repealing and reenacting, with amendments,

Article - Corporations and Associations
Section 5-504, 5-512(b), and 5-526(a) (1)
Annotated Code of Maryland
(1975 Volume and 1975 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Sections 5-504, 5-512(b), and 5-526(a) (1) of Article - Corporations and Associations, of the Annotated Code of Maryland (1975 Volume and 1975 Supplement) be and they are hereby repealed and reenacted, with amendments, to read as follows:

Article - Corporations and Associations

5-504.

A cooperative has the power to:

(1) Engage in or finance any activity in connection with:

(i) Producing, marketing, selling, preserving, drying, catching, taking, harvesting, cultivating, propagating, processing, canning, packing, handling, storing, purchasing, or using any agricultural or fishery products of its members OR NONMEMBER PATRONS or goods incidentally and customarily purchased or marketed in conjunction with these products;

(ii) Manufacturing or marketing the by-products of these products; or

(iii) The purchase, hire, or use by its members OR NONMEMBER PATRONS of supplies, machinery, equipment, or services;

(2) Transport the products of its members OR NONMEMBER PATRONS, even if in competition with licensed common carriers;

(3) Borrow money, give its notes, bonds, or other obligations for the debt, and secure payment of the debt;

(4) Make advances to its members OR NONMEMBER PATRONS on their products held by the cooperative;