

be under the new subtitle, "Subtitle 6A. Consumer Cooperatives" Annotated Code of Maryland (1975 Volume and 1977 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article - Corporations and Associations

SUBTITLE 6A. CONSUMER COOPERATIVES

5-6A-01.

~~IN THIS SUBTITLE, "CONSUMER COOPERATIVE" MEANS A MEMBERSHIP CORPORATION CONVERTED OR ORGANIZED UNDER THIS SUBTITLE, WHICH OPERATES FOR THE MUTUAL BENEFIT OF ITS MEMBERS AND CONFORMS TO THIS SUBTITLE.~~

(A) IN THIS SUBTITLE, THE FOLLOWING WORDS HAVE THE MEANING INDICATED.

(B) "CONSUMER COOPERATIVE" MEANS A CORPORATION CONVERTED OR ORGANIZED UNDER THIS SUBTITLE, WHICH OPERATES OR INTENDS TO OPERATE ON A COOPERATIVE BASIS FOR THE MUTUAL BENEFIT OF ITS MEMBERS AND PATRONS AND CONFORMS TO THIS SUBTITLE.

(C) "MEMBER" MEANS A PERSON WHO FOR THE PURPOSE OF OBTAINING GOODS OF SERVICES FOR PERSONAL, LIVING, OR FAMILY USE OWNS VOTING STOCK IN A CORPORATION HAVING CAPITAL STOCK OR HOLDS A NONSTOCK VOTING MEMBERSHIP INTEREST IN A CORPORATION NOT HAVING VOTING CAPITAL STOCK.

5-6A-02.

A MEMBER OF A CONSUMER COOPERATIVE HAS ONLY ONE VOTE, REGARDLESS OF THE AMOUNT OF STOCK OR MEMBERSHIP CAPITAL OWNED.

5-6A-03.

~~THE CONSUMER COOPERATIVE MAY NOT PAY DIVIDENDS ON STOCK OR MEMBERSHIP CAPITAL, ANY RETURN ON CAPITAL STOCK IN EXCESS OF 8 PERCENT PER ANNUM.~~

5-6A-04.

(A) AFTER PAYMENT OF EVERY NECESSARY EXPENSE AND AUTHORIZED DEDUCTION OR RESERVE, THE PROCEEDS FROM THE BUSINESS OF THE CONSUMER COOPERATIVE SHALL BE USED FOR THE BENEFIT OF THE MEMBERS IN SUCH MANNER AS TO AVOID ONE MEMBER GAINING AT THE EXPENSE OF OTHERS ALLOCATED OR DISTRIBUTED TO MEMBERS OR PATRONS IN PROPORTION TO THEIR PATRONAGE OR RETAINED BY THE CONSUMER COOPERATIVE FOR THE PURPOSE OF