

CHAPTER 378

(Senate Bill 889)

AN ACT concerning

Consumer Cooperatives

FOR the purpose of eliminating a certain procedure for terminating a nonstock voting membership in a consumer cooperative; deleting an incorrect reference; permitting all housing cooperatives to use a certain word in conducting business; and generally relating to consumer cooperatives.

BY repealing and reenacting, without amendments,

Article - Corporations and Associations
Section 5-5A-02(c)
Annotated Code of Maryland
(1985 Replacement Volume and 1985 Supplement)

BY repealing and reenacting, with amendments,

Article - Corporations and Associations
Section 5-5A-08(f) and 5-5A-10
Annotated Code of Maryland
(1985 Replacement Volume and 1985 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Corporations and Associations

5-5A-02.

(c) "Cooperative basis" as applied to any entity or corporation referred to in this subtitle means:

(1) Except as otherwise provided in the case of a federated cooperative in Section 5-5A-20 of this subtitle, that each member has only 1 vote and that proxy voting is prohibited;

(2) That the annual return on stock or membership capital does not exceed the allowable amount specified in the articles of incorporation or bylaws of the cooperative;

(3) That the net savings of the entity must be distributed in accordance with Section 5-5A-22 of this subtitle;