

1 AN ACT in relation to agriculture.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Agricultural Co-Operative Act is amended
5 by changing Sections 2, 5, 8, 9, 13, 21, 25, 32, and 33 as
6 follows:

7 (805 ILCS 315/2) (from Ch. 32, par. 441)

8 Sec. 2. Definitions and short title.

9 (a) As used in this Act:

10 The term "Director of Agriculture" means the Director of
11 the Illinois Department of Agriculture or the Director's
12 designee.

13 The term "agricultural products" shall include
14 horticultural, viticultural, forestry, dairy, live stock,
15 poultry, bee and any farm and aquatic products and fur
16 bearing animals raised in captivity and their products.

17 The term "member" shall include actual members of
18 associations without capital stock, and holders of common
19 stock in associations organized with capital stock.

20 The term "association" means any corporation organized
21 under this Act, or any corporation formed under any general
22 or special act of this or any other state as a co-operative
23 association, organized for the mutual benefit of its members,
24 and in which the returns on the stock or membership capital
25 is limited to an amount not to exceed 8% per annum, and in
26 which during any fiscal year thereof the value of business
27 done with non-members shall not exceed the business done with
28 members during the same period, and in which substantially
29 all of the issued and outstanding shares of capital stock or
30 memberships are owned, held and controlled directly or
31 indirectly, by producers of agricultural products.

1 The term "person", except when used in reference to an
 2 officer or member of the board of directors, in which case it
 3 means an individual, shall include any individual or any
 4 entity, including but not limited to a sole proprietorship, a
 5 partnership, a corporation, a cooperative, an association, a
 6 limited liability company, an estate, or a trust individuals,
 7 ~~firms, partnerships, corporations and associations.~~

8 (b) Associations organized hereunder shall be deemed
 9 "non-profit", inasmuch as they are not organized to make
 10 profit for themselves, as such, or for their members, as
 11 such, but only for their members as producers.

12 (c) This Act may be cited as the Agricultural
 13 Co-Operative Act.

14 (Source: P.A. 85-856; 86-1475.)

15 (805 ILCS 315/5) (from Ch. 32, par. 444)

16 Sec. 5. Every group of persons contemplating the
 17 organization of an association under this Act is urged to
 18 communicate with the Director of Agriculture, who will share
 19 any information the Department may have regarding inform them
 20 ~~whatever--a--survey of~~ the marketing conditions affecting the
 21 commodities proposed to be handled ~~may--indicate--regarding~~
 22 ~~probable-suecess.~~

23 It is here recognized that agriculture is characterized
 24 by individual production in contrast to the group or factory
 25 system that characterizes other forms of industrial
 26 production; and that the ordinary form of corporate
 27 organization permits industrial groups to combine for the
 28 purpose of group production and the ensuing group marketing
 29 and that the public has an interest in permitting farmers to
 30 bring their industry to the high degree of efficiency and
 31 merchandising skill evidenced in the manufacturing
 32 industries; and that the public interest urgently needs to
 33 prevent the migration from the farm to the city in order to

1 keep up farm production and to preserve the agricultural
2 supply of the nation; and that the public interest demands
3 that the farmer be encouraged to attain a superior and more
4 direct system of marketing in the substitution of
5 merchandising for the blind, unscientific and speculative
6 selling of crops; and that for this purpose, the farmers
7 should secure special guidance and instructive data from the
8 Director of Agriculture.

9 (Source: Laws 1923, p. 286.)

10 (805 ILCS 315/8) (from Ch. 32, par. 447)

11 Sec. 8. Each association organized under this Act, shall
12 prepare and file articles of incorporation, setting forth:

13 (a) The name of the association which may or may not
14 include the word co-operative or any abbreviation thereof.

15 (b) The purpose for which it is formed.

16 (c) The place where its principal office within the
17 State will be located.

18 (d) The term for which it is to exist, which may be
19 perpetual.

20 (e) The minimum number of directors thereof, which must
21 be not less than 5 and may be any number in excess thereof;
22 the term of office of such directors, and the names and
23 addresses of those who are to serve as incorporating
24 directors for the first term, and/or until the election and
25 qualification of their successors.

26 (f) If organized without capital stock, whether the
27 property rights and interest of each member shall be equal or
28 unequal; if unequal the general rule or rules applicable to
29 all members by which the property rights and interest,
30 respectively of each member may and shall be determined and
31 fixed, and provision for the admission of new members, who
32 shall be entitled to share in the property of the association
33 with the old members, in accordance with such general rule or

1 rules. This provision or paragraph of the articles of
2 incorporation may not be altered, amended or repealed, except
3 by the written consent or vote of 3/4 of the members.

4 (g) If organized with capital stock, the amount of such
5 stock and the number of shares into which the capital stock
6 is to be divided; whether all or part of the same shall have
7 par value, and if so, the par value thereof, which shall not
8 be less than one dollar, nor more than \$1,000 per share, and
9 whether all or part of the same shall have no par value, and
10 if there is to be more than one class of stock created, a
11 description of the different classes, the number of shares in
12 each class, and the relative rights, interest and preferences
13 each class shall represent; and if the same shall be desired,
14 a provision that any or all classes of preferred stock may be
15 issued in series and that dividends shall be payable with
16 respect to any such series at such rate not exceeding 8% per
17 annum, or such lesser amount as may be fixed in the articles
18 of incorporation, or any amendment thereof, and that the
19 shares of such series may be reduced at such redemption price
20 and bear such particular designation as the board of
21 directors, subject to such restrictions as may be imposed in
22 the articles of incorporation, or any amendment thereof,
23 shall by resolution, determine and fix prior to the issue of
24 any stock of such series. Such articles of incorporation or
25 any amendment thereto, may provide, that in the case of any
26 share of stock in such association, issued thereby, to any
27 bona fide producer of agricultural products, or to any
28 co-operative association as defined in this Act, that such
29 share is subject to the condition, that the directors of such
30 association shall be trustees of such share of stock upon
31 such producer becoming a non-producer of agricultural
32 products, or such co-operative association ceasing to be
33 operated as a co-operative association; and that in the case
34 of any share of stock issued in the first instance to any

1 non-producer of agricultural products, or to any corporation
2 not operating as a co-operative association, that such share
3 is subject to the condition that the directors of such
4 association shall be the trustees of such share of stock; and
5 that in either of such cases, thereupon the trustees of such
6 share of stock shall be vested with the legal and equitable
7 title thereto, and the stock certificate held by such
8 producer who has become a non-producer, or such non-producer,
9 or such corporation, not operating as a co-operative
10 association, as the case may be, shall legally become or be a
11 participation certificate entitling the holder thereof to any
12 dividends provided for in such certificate, any moneys
13 accruing by virtue thereof, and any pecuniary rights accruing
14 thereunder, under the provisions of this Act; that the
15 trustees of such certificate shall pay over all such
16 dividends and moneys to the certificate holder and protect
17 and execute all such pecuniary rights; that the voting power,
18 and all other legal and beneficial interests, other than
19 those given to the certificate holder as hereinabove
20 provided, shall be held by such trustees and exercised and
21 managed by them by vote of a majority of such trustees; and
22 that in case such certificate holder, thereafter, becomes a
23 bona fide producer of agricultural products, or a
24 co-operative association, that affidavit be made to such
25 effect and filed with the directors thereof, and thereupon,
26 such trustees shall be discharged and the legal and equitable
27 title to such share and all other interests whatsoever, shall
28 vest in such certificate holder and all the powers and
29 privileges pertaining to such share of stock may be exercised
30 thereby.

31 (h) In addition to the foregoing, the articles of
32 incorporation of any association incorporated hereunder may
33 contain any provision consistent with law with respect to
34 management, regulation, government, financing, indebtedness,

1 membership, the establishment of voting districts and the
2 election of delegates for representative purposes, the
3 issuance, retirement, and transfer of the stock, if formed
4 with capital stock, or any provisions relative to the way or
5 manner in which it shall operate or with respect to its
6 members, officers or directors and any other provisions
7 relating to its affairs.

8 The articles shall be subscribed by the incorporators and
9 acknowledged by one of them before an officer authorized by
10 law to take and certify acknowledgments of deeds and
11 conveyances, and shall be filed in the office of the
12 Secretary of State; when so filed, the articles of
13 incorporation, or certified copies thereof, shall be received
14 in all the courts of this State, and other places, as prima
15 facie evidence of the facts contained therein, and of the due
16 incorporation of such association. A certified copy of the
17 articles of incorporation shall also be filed with the
18 Director of Agriculture by the association.

19 (Source: P.A. 79-207.)

20 (805 ILCS 315/9) (from Ch. 32, par. 448)

21 Sec. 9. The articles of incorporation may be altered or
22 amended at any regular meeting, or any special meeting called
23 for that purpose. An amendment may be adopted by the approval
24 of two-thirds of the directors followed by a favorable vote
25 or the written consent thereto representing a majority of all
26 the members and/or shareholders of the association, or by the
27 written consent of two-thirds of all the members of the
28 association without the approval of the directors. Amendments
29 to the articles of incorporation when so adopted, shall be
30 filed in the office of the Secretary of State. A certified
31 copy of every amendment shall be filed with the Director of
32 Agriculture by the association.

33 (Source: Laws 1931, p. 390.)

1 (805 ILCS 315/13) (from Ch. 32, par. 452)

2 Sec. 13. The directors shall elect from their number, a
3 president, and one or more vice-presidents. They shall also
4 elect a secretary and treasurer, who need not be directors or
5 members of the association, and they may combine the two
6 latter offices and designate the combined office as
7 secretary-treasurer, or unite both functions and titles in
8 one person. The treasurer may be a bank or any depository,
9 and as such, shall not be considered as an officer, but as a
10 function of the board of directors. In such case, the
11 secretary shall perform the usual accounting duties of the
12 treasurer, except that the funds shall be deposited only as
13 and where authorized by the board of directors. The by-laws
14 may provide for the election of the president and
15 vice-presidents by the members at annual meetings.

16 Within 30 days after the first election of officers, the
17 association shall file a report with the Director of
18 Agriculture on forms prescribed by the Director of
19 Agriculture. The report shall contain the following:

- 20 (1) The name of the association.
- 21 (2) The names and addresses of the association's
22 principal officers and directors.
- 23 (3) The association's principal place of business.
- 24 (4) A general statement of the association's
25 proposed business operations.
- 26 (5) The end of the association's proposed fiscal
27 year.

28 (Source: Laws 1929, p. 280.)

29 (805 ILCS 315/21) (from Ch. 32, par. 460)

30 Sec. 21. Each association formed or authorized to do
31 business in Illinois under this Act shall prepare and make
32 out an annual report on forms prescribed ~~to-be-furnished~~ by
33 the Director of Agriculture containing the name of the

1 association; the names and addresses of its principal
2 officers and directors; its principal place of business; and
3 a general statement of its business operations during the
4 fiscal year, showing the amount of capital stock paid up and
5 the number of stockholders of a stock association or the
6 number of members and amount of membership fees received, if
7 a non-stock association; ~~the total expenses of operations;~~
8 ~~the amount of its indebtedness or liabilities,~~ and its
9 balance sheets and income statement for the most recently
10 completed fiscal year before the filing of the report.

11 (Source: Laws 1923, p. 286.)

12 (805 ILCS 315/25) (from Ch. 32, par. 464)

13 Sec. 25. Any co-operative association with or without
14 capital stock as defined in this Act heretofore or hereafter
15 organized under laws of another State shall be allowed to
16 carry on any proper activities, operations and functions in
17 this State upon filing with the Secretary of State all
18 necessary certificates as required under the general
19 regulations applicable to foreign corporations, and upon
20 payment of a filing fee of ten dollars (\$10.00) and an annual
21 fee of ten dollars (\$10.00) in lieu of all franchise, license
22 or corporation taxes as required of associations organized
23 hereunder, and all contracts which could be made by any
24 association organized hereunder, made by or with such
25 association shall be legal and valid and enforceable in this
26 State with all of the remedies set forth in this Act. Any
27 foreign co-operative association having qualified to do
28 business within this State ~~shall file with the Director of~~
29 ~~Agriculture duplicate certificates as filed with the~~
30 ~~Secretary of State,~~ and shall file annual reports with the
31 Director of Agriculture in the manner and form provided for
32 in Section 21 of this Act. The association shall file with
33 the Director of Agriculture duplicate certificates as filed

1 with the Secretary of State by a foreign co-operative
2 association qualified to do business within this State under
3 this Act.

4 (Source: Laws 1931, p. 390.)

5 (805 ILCS 315/32) (from Ch. 32, par. 471)

6 Sec. 32. ~~On or before the first day of July of~~ Each year,
7 within 6 months after the end of the association's fiscal
8 year, each association organized hereunder or qualified to do
9 business within this State under this Act shall file an
10 annual report with the Director of Agriculture as required in
11 Section 21 of this Act, and pay the fees hereinafter
12 required. ~~If the fee is not paid by August first a penalty of~~
13 ~~five per centum per month shall be required until it is paid;~~
14 provided that an association, ~~associations~~ organized, or
15 qualified to do business in this State under this Act between
16 ~~January first and June thirtieth of each year~~ shall not be
17 required to file a balance sheet or income statement with its
18 an annual report until the association has completed one full
19 fiscal year ~~second--July--following,~~ ~~but--associations~~
20 ~~organized, or qualified, between January first--and--February~~
21 ~~twenty-eighth,--inclusive,--shall be required to pay a fee on~~
22 ~~July first following.~~

23 Each association organized hereunder or qualified to do
24 business within this State shall pay an annual fee of ten
25 dollars (\$10.00) only, to the Department of Agriculture, in
26 lieu of all franchise or license or corporation taxes or
27 charges upon reserves held by it for members, and in case of
28 failure, neglect or refusal of any such association to either
29 file the annual report or pay the fee as required by this
30 Act, it shall be certified by the Director of the--Department
31 of Agriculture to the Secretary of State 9 months after the
32 end of the association's fiscal year ~~Attorney--General--by~~
33 ~~November--the-fifteenth~~ for dissolution in the same manner as

1 is required under the provisions of the general corporation
 2 laws Act of this State, and the Secretary of State Attorney
 3 General shall proceed in like manner to dissolve such
 4 association or oust it from doing business within the State
 5 as is required under the general corporation laws of this
 6 State.

7 (Source: Laws 1931, p. 390.)

8 (805 ILCS 315/33) (from Ch. 32, par. 472)

9 Sec. 33. For filing articles of incorporation, an
 10 association organized hereunder shall pay \$100; and for
 11 filing an amendment to the articles, \$25. Fees for filing
 12 articles of incorporation or an amendment to the articles
 13 shall be paid to the Secretary of State.

14 (Source: P.A. 81-997.)

15 Section 99. Effective date. This Act takes effect upon
 16 becoming law.