

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.

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

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

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

31 The term "person", except when used in reference to an

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

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

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

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

14 (805 ILCS 315/5) (from Ch. 32, par. 444)

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

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

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

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

9 (805 ILCS 315/8) (from Ch. 32, par. 447)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (805 ILCS 315/9) (from Ch. 32, par. 448)

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

32 (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 to be furnished 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 to be furnished by the Director  
33 of Agriculture containing the name of the association; the

1 names and addresses of its principal officers and directors;  
 2 its principal place of business; and a general statement of  
 3 its business operations during the fiscal year, showing the  
 4 amount of capital stock paid up and the number of  
 5 stockholders of a stock association or the number of members  
 6 and amount of membership fees received, if a non-stock  
 7 association; ~~the total expenses of operations; the amount of~~  
 8 ~~its indebtedness or liabilities,~~ and its balance sheets and  
 9 income statement for the most recently completed fiscal year  
 10 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 Secretary of State shall file  
 33 with the Director of Agriculture duplicate certificates as



1 filed 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 associations'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.