



2021 South Dakota Legislature

Senate Bill 108

Introduced by: **Senator Duvall**

1 **An Act to revise certain provisions related to cooperatives.**

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 **Section 1.** That § 47-15-12 be AMENDED.

4 **47-15-12. Articles and bylaws--Action to invalidate amendment--**
5 **Limitations.**

6 No action may be maintained to invalidate any amendment to the articles or bylaws
7 because of the manner of its adoption unless commenced within two years after ~~date of~~
8 recording its adoption.

9 **Section 2.** That § 47-16-4 be AMENDED.

10 **47-16-4. Member meetings--Location--Virtual participation.**

11 Unless the articles of incorporation or bylaws provide otherwise, the board of
12 directors shall provide that member meetings of a cooperative ~~shall be~~ are held at the
13 principal office or such other place or by means of communication as the board of directors
14 may determine.

15 Unless the articles of incorporation or bylaws provide otherwise, the board of
16 directors may allow a member, a delegate, or an alternate to participate in a member
17 meeting by any means of communication through which the member, delegate, or
18 alternate may communicate and vote at the meeting. Participation by such means of
19 communication constitutes presence or attendance at the meeting.

20 **Section 3.** That § 47-16-5 be AMENDED.

21 **47-16-5. Member meetings--Notice--Virtual meeting.**

22 Written notice of a membership meeting of a cooperative, stating the place, day,
23 and hour, and, in case of a special member meeting the purposes for which the meeting

1 is called, shall be given ~~not less~~ no fewer than ten nor more than ~~thirty-sixty~~ days before
 2 the meeting, at the direction of the person calling the meeting.

3 The place of the meeting or special meeting may be virtual if the written notice
 4 specifies a means of communication to conduct the meeting that complies with the
 5 provisions of § 47-16-4.

6 **Section 4.** That § 47-16-7 be AMENDED.

7 **47-16-7. Member meetings--Quorum.**

8 A quorum at a member meeting of a cooperative shall be ten percent of the first
 9 one hundred members plus five percent of additional members, present ~~in person~~ or
 10 represented by delegate. Unless the bylaws fix a larger number of members to constitute
 11 a quorum, a quorum may never be more than fifty members nor ~~less~~ fewer than five
 12 members, or a majority of all members, whichever is smaller. Members represented by
 13 signed vote may be counted in computing a quorum only on those questions as to which
 14 the signed vote is taken. The sufficiency or requirement of a quorum for the transaction
 15 of business at a district meeting of members shall be established in the bylaws. However,
 16 the quorum may not be ~~less~~ fewer than five members.

17 **Section 5.** That § 47-16-14 be AMENDED.

18 **47-16-14. Member voting.**

19 ~~An absent~~ A member of a cooperative may submit a signed vote by mail or
 20 electronic means if the member has been previously notified in writing of the exact vote,
 21 motion or resolution upon which the vote is taken. The bylaws may limit use of signed
 22 votes.

23 **Section 6.** That § 47-17-4 be AMENDED.

24 **47-17-4. First directors as temporary board--Election of permanent**
 25 **directors--Territorial directors--Directors' terms of office--Alternates.**

26 The directors of a cooperative constituting the temporary board, named in the
 27 articles, shall hold office until the first member meeting. At that meeting and thereafter,
 28 at or in conjunction with the annual member meeting, directors shall be elected by a
 29 majority of the members ~~present at a duly called meeting of the members voting~~ in the
 30 manner and for the terms provided in the bylaws. If the bylaws provide that directors be
 31 from specified territorial districts, the articles may limit voting for any director to members

1 from within the territorial district from which ~~such~~ the director is to be elected. The bylaws
2 may provide that directors may be elected at district director election meetings held for
3 said purpose. Unless the bylaws provide otherwise, a director's term of office ~~shall be is~~
4 one year. Each director ~~shall hold~~ holds office for the term for which elected and until ~~his~~
5 ~~successor~~ the director's successor takes office. The bylaws may permit selection of
6 alternates to take the place of directors absent at a meeting of the board.

7 **Section 7.** That § 47-17-8 be AMENDED.

8 **47-17-8. Board meetings.**

9 ~~Meetings of the~~ The board of directors of a cooperative shall be provide that board
10 meetings are held ~~at such place and~~ upon such notice as is prescribed in the bylaws.

11 Unless ~~restricted by the~~ articles of incorporation or bylaws provide otherwise, ~~members~~
12 a member of the board of directors or any committee designated by the board of directors
13 may participate in a meeting of such board or committee by any means of ~~teleconference~~
14 ~~or similar communications equipment which allows all persons participating in the meeting~~
15 ~~to hear each other at the same time~~ communication through which the member, delegate,
16 or alternate may communicate and vote at the meeting. Participation by ~~a board or~~
17 ~~committee member in a teleconference~~ such means of communication constitutes
18 presence ~~in person or attendance at a~~ the meeting.